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ACT MODEL FINANCIAL STATEMENTS FOR DIRECTORATES

AND TERRITORY AUTHORITIES

FOR THE REPORTING PERIOD ENDED 30 June 2022

**Chief Minister, Treasury and Economic Development Directorate**

**Produced by:**

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Financial Statement Guidelines for Agencies

## Preface

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

The Model is designed to clearly explain presentational requirements within the current reporting framework of the Territory. Disclosures contained in the Model should only be included in an agency’s financial statements if they are applicable and material. For example, where an agency does not have any investment properties, the investment property note disclosure contained in the Model should not be included in the agency’s financial statements. Additional disclosure should also be included where the information is considered to enhance the comprehension of the financial statements and is of relevance to primary users. The requirements in this Model are effective for the year ending 30 June 2022.

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

The Model is based on the following principles:

Accountability - Directors-General are accountable for the efficient and effective use of resources for which they are responsible and the safekeeping of public monies. The financial statements are to disclose information relevant to assessing their performance in this respect.

Compliance - The financial statements must disclose the information required by legislation and the applicable Australian Accounting Standards.

Comparability - The financial statements are to provide operational information that is comparable between periods and between agencies.

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

## Materiality Guidance

Agencies are encouraged to consider materiality in preparing and streamlining their financial statements. AASB 101 defines information as material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make based on those financial statements, which provide financial information about a specific reporting entity. The definition of materiality includes a reference to ‘obscured’. Information is obscured if it is communicated in a way that would have a similar effect to primary users of omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

* information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
* information regarding a material item, transaction or other event is scattered throughout the financial statements;
* dissimilar items, transactions or other events are inappropriately aggregated;
* similar items, transactions or other events are inappropriately disaggregated; and
* the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

The concept of materiality means that a specific disclosure requirement in an Australian Accounting Standard need not be satisfied if the information resulting from that disclosure is not material. This is the case even if the Australian Accounting Standard contains a list of specific requirements or describes them as minimum requirements. Alternatively, where an item is not specifically required to be disclosed by an Australian Accounting Standard but is material, it shall be disclosed in either the Financial Statements or in the notes to the financial statements, whichever one is appropriate to enable primary users of financial statements to understand the impact of particular transactions, other events and conditions.

## Materiality Guidance – Continued

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

Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor. Assessing whether an omission or misstatement could influence economic decisions of primary users, and so be material, requires consideration of the characteristics of those users. AASB 101 states that the “*financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena”.* As such, users are assumed to have a reasonable financial knowledge and a willingness to study the information with due diligence. Therefore, the assessment needs to consider how users with such attributes could reasonably be expected to be influenced in making economic decisions.

AASB 101 *Presentation of Financial Statements* clarifies that entities should not disclose immaterial information in their financial statements and that the presentation of information in notes can and should be tailored to provide primary users with the clearest story of an entity’s financial performance and financial position. Agencies are strongly encouraged to undertake an annual assessment with the view to further simplify the presentation of their financial statements.

### Benefits of Streamlined Financial Reporting

Benefits of financial statement simplification include:

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

### General Guidance

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

* size or dollar amount of the item;
* nature of the item;
* whether the agencies’ results cannot be understood without the specific disclosure;
* reporting requirement associated with the item (i.e. it needs to be disclosed to comply with a reporting requirement, regardless of the amount); and/or
* it is required to meet the needs of a primary user.

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

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

### General Guidance – Continued

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

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

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

### Requirement for Separate Line Items on the Face of the Financial Statements

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

Agencies may also consider re-naming line items where it represents only one type of transaction (e.g. where ‘other assets’ only include prepayments; agencies may change the name of the line item to ‘prepayments’). Agencies need to be mindful that when considering changing the name of a line item on the face of the financial statements in the Annual Report this still needs to be comparable to the financial statements in the Budget Papers (as per section 27(2) and section 63 (2) of the FMA).

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

### Requirement for Separate Note Disclosures

Face statement line items which are less than 10 per cent of that category’s total (a category is for instance total Income, Expenses, Assets, Liabilities or Equity), may not require separate note disclosure. The intention being that small value line items will be shown at the face statement level only. However, for these line items, if the variance between the current and prior year actual values is greater than the threshold for variance explanations (refer section on ‘*Variance explanations between Current and Prior Year Figures’*), a separate note with the variance explanation may be required. Alternatively, an agency could provide a variance explanation at the bottom of the relevant face statement (ie the Operating Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows), thereby not necessitating a separate note.

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

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

### Detail in Separate Note Disclosures

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

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

### Exceptions to the General Guidance on Materiality (outlined in Section 1.2.2 above)

As specified in the Model Financial Statements, some disclosures are required by the ACT disclosure policy regardless of the amount or the threshold for disclosure, such as waivers, write-offs, act of grace payments and compensation to key management personnel. However, if a prior period error is discovered in relation to any of these items, then the error would have to be material by amount for a correction of a prior period error disclosure to be included in the ‘Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error’ Note.

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

### Variance Explanations between Current, Budget and Prior Year Figures

Agencies are to include concise explanations of major variances between the current, budget and prior year for material amounts in the financial statements. Variance explanations included in each individual note are between current and prior year actuals. Variance explanations between actual and budget figures are generally contained in the Budgetary Reporting Note. Variance explanations included in the notes form part of the audited financial statements. Variance explanations should identify the reason for the variance and must be able to be independently verified. As far as practicable, variance explanations should be written in plain English. The explanations are in addition to the Management Discussion and Analysis, which tends to be more strategic in nature.

Variances are considered to be material variances if both of the following criteria are met:

* the line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses, Assets, Liabilities and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
* the variances (original budget to actual and current year actual to prior year actual) are greater than plus (+) or minus (-) 10% and $500,000 of the budget for the financial statement line item for smaller agencies and greater than plus (+) or minus (-) 10% and $15 million for large agencies.

Small agencies include Office of the Legislative Assembly, ACT Auditor-General, Legal Aid Commission, Public Trustee and Guardian, Cultural Facilities Corporation, Cemeteries and Crematoria Authority, ACT Gambling and Racing Commission, Independent Competition and Regulatory Commission, Motor Accident Injuries Commission, ACT Electoral Commissioner, ACT Integrity Commission, ACT Executive, ACT Long Service Leave Authority, Building and Construction Industry Training Fund Authority, CIT Solutions Pty Ltd, Lifetime Care and Support Fund, and Office of the Work Health and Safety Commissioner.

Large agencies include Chief Minister, Treasury and Economic Development Directorate, Canberra Health Services, Transport Canberra and City Services Directorate, Housing ACT, Justice and Community Safety Directorate, Education Directorate, Community Services Directorate, Transport Canberra Operations, Environment, Planning and Sustainable Development Directorate, ACT Local Hospital Network, City Renewal Authority, Suburban Land Agency, Health Directorate, Public Sector Workers Compensation Fund Major Projects Canberra, ACT Insurance Authority, Canberra Institute of Technology, Territory Banking Account and Superannuation Provision Account.

These thresholds are indicative only and are included to assist agencies’ in making judgement on whether an explanation is required.

### Consultation with Audit Committee and the Audit Office

Each agency will need to exercise judgement in determining appropriate thresholds for disclosures in their financial statements. Agencies are encouraged to agree their specific thresholds for disclosures along with exceptions with their Audit Committee in the process of developing their financial statements. Once the thresholds and exceptions have been determined, agencies should liase with the ACT Audit Office to ensure they consider these thresholds and exceptions are appropriate.

### Impact of the COVID-19 Pandemic

The COVID-19 pandemic is likely to have an impact on agencies’ financial statements, including disclosures. In particular, agencies need to consider the impacts of specific actions undertaken by the ACT Government and Commonwealth in responding to COVID-19. For instance, determining the appropriate financial period in which to reflect the costs and liabilities associated with a policy intervention. Areas impacted could include expected credit losses on receivables, the fair value of assets and events after the reporting period. Agencies can seek further guidance on COVID-19 contained in the ACT Disclosure Paper on COVID-19 disclosures and workpapers.

## What’s New

### Changes to the Model Resulting from Accounting Standard Changes

**AASB 2021/2 Amendments to Australian Accounting Standards – Disclosure to Accounting Policies and Definitions of Accounting Policies and Definition of Accounting Estimates**

ACT Government policy is that the change to AASB 101 resulting from AASB 2021/2 *Amendments to Australian Accounting Standards – Disclosure to Accounting Policies and Definitions of Accounting Policies and Definition of Accounting Estimates* will be adopted early by all ACT Government Agencies. This change requires a terminology change so that ACT Government agencies will now refer to ‘material’ accounting policies rather than ‘significant’ accounting policy in their financial statements. The Model Financial Statements reflects the early adoption of this change.

***Impact of Accounting Standards Issued but yet to be Applied***

Note 3 *Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error* includes an updated table listing the standards which are applicable but yet to be applied as at 30 June 2022. This includes brief commentary on the financial impact of these standards. In addition, agencies should review the 2021-22 Accounting Policy Paper on the Accounting Standards Released but yet to be Applied, to be issued in July 2022, in order to assess the likely impact of those standards, particularly the ones that have been issued between when the Model is released and when this Accounting Policy Paper is released.

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

### Changes to the Model Resulting from Streamling and Decluttering

A major review of the Model Financial Statements has been undertaken which has resulted in a large number of changes. These changes have not come about from changes in accounting standards. This major update gives the model a contemporary and streamlined feel and makes it easier for users to understand the financial statements.

Information below outlines the main changes which have occurred to the financial statements and notes to the financial statements when compared to the 2019-20 Model Financial Statements. It is not an exhaustive list and represents the major changes only. Agencies are required to review this updated model to align with the required changes as appropriate. All ACT Government entities are required to follow (as closely as practicable) this model to ensure consistency in reporting.

### Changes to the Model Resulting from Streamling and Decluttering – Continued

General Changes

* the Territory Authority Section (TAS) has been withdrawn and the specific disclosures relating to Territory Authorities have been included in the 2021-22 Model and marked throughout in blue or as separate headings in the commentary;
* the Model Addendum has been withdrawn. For this 2021-22 Model this section shows the high-level changes to the 2019-20 Model, and as such, this document does not contain individual marked up changes;
* where possible disclosures in the Model have been removed or combined to assist with decluttering;
* ‘Significant Accounting Policies’ are now referred to as ‘Material Accounting Policies’see section 1.2 *Materiality Guidance* above; and
* variance explanations have been amended in the financial statement guidelines and budgetary reporting:
* Small Agencies – Criteria has changed from (+) or (‑) 2.5% and $0.5 million to 10% and $0.5 million.
* Large Agencies – Criteria has changed from (+) or (‑) 5% and $15 million to 10% and $15 million.
* Agencies which fall into the small category and large category have been updated.

Structural Changes

* appendices have been removed and the relevant information has been moved into the individual notes such as, Accounting Standards Issued but not yet Released and Basis of Preparation of the Financial Statements that have been moved to the front of the Model. There is a new disclosure included for material accounting policies relating to all income notes;
* Material Accounting Policies have been moved from Appendix B to individual notes to which the polices relate;
* the Statement of Responsibility no longer has to state that ‘in the Director-General’s opinion the financial statements are in agreement with the Agency’s accounts and records’;
* the Summary of Agency Output Classes has been removed;
* in many notes the ACT/Non-ACT Government split is no longer required; and
* the Note Index has been moved to before the financial statements and is now known as Content of the Financial Statements.

Changes to the Face of Statements

Agencies are reminded that these changes only need to be made if they are relevant:

|  |  |
| --- | --- |
| Operating Statement | Replace – *Operating Surplus/(Deficit)* with Operating Result  Replace – *User Charges from Contracts with Customers* with *Sales of Goods and Services from Contracts with Customers*  Include – *Income from Government Sources* for each output class  Include – *Interest Revenue* |
| Balance Sheet | Replace – *Interest Bearing Liabilities* with *Borrowings*  Remove – *Finance Leases*  Include – *Non-Current Inventories* |
| Statement of Changes in Equity | Include – *Correction of Prior Period Error* |
| Statement of Cash Flows | Remove – *User Charges*  Remove – *Repayment of Finance Lease Liabilities – Principal*  Include – Interest Received |
| Statement of Appropriation | Include – Description and Material Accounting Policies relating to Controlled Recurrent Payments  Include – Community Service Obligations line |
| Disaggregated Disclosure of Assets and Liabilities | Replace – *Interest Bearing Liabilities* with *Borrowings*  Remove – *Finance Leases*  Include – Non-Current Inventories  Include – Contract Assets and Contract Liabilities |

### Changes to the Model – Continued

Changes to the Notes

|  |  |
| --- | --- |
| Note 9 *Other Income* | *Other Revenue* and *Other Gains* were included in separate notes in the 2019-20 Model Financial Statements. In the 2021‑22 Model these two notes have been combined into a single note titled *Other Income*. |
| Note 10 *Employee Benefit and Superannuation Expenses* | *Employee Expenses* and *Superannuation Expenses* were included in separate notes in the 2019-20 Model Financial Statements. In the 2021-22 Model these two notes have been combined into a single note titled *Employee and Superannuation Expenses*. |
| Note 11 *Supplies and Services* | In the 2019-20 Model Financial Statements there was a separate note for *Auditor’s Remuneration*. In the 2021-22 Model the information from this note has been included in the *Supplies and Services* note. |
| Note 14 *Other Expenses* | In the 2019-20 Model Financial Statements there was a separate note for *Waivers, Impairment losses and Write-offs*, as well as *Act of Grace Payments*. In the 2021-22 Model these two notes have been included in the *Other Expenses* note.  In addition, Agencies are no longer required to disclose the number of impairment losses and write-offs for the financial year as only the amount is required. |
| Note 15 *Cash and Investments* | *Cash and Cash Equivalents* and *Investments* were included in separate notes in the 2019-20 Model Financial Statements. In the 2021-22 Model these two notes have been combined into a single note titled *Cash and Investments*. The Reconciliation of Cash and Cash Equivalents has also been combined in this note. |
| Note 16 *Receivables and Contract Assets* | In the 2019-20 Model Financial Statements there was a separate note for *Contract Assets*. In the 2021-22 Model the information from this note has been included in the *Receivables and Contract Assets* note. |
| Note 19 *Property, Plant and Equipment* | Carrying amount of each class has been combined with the reconcilation of Property, Plant and Equipment.  Right-of-use disclosures in this note have also changed. |
| Note 24 *Payables and Contracts Liabilities* | In the 2019-20 Model Financial Statements there was a separate note for *Contract Liabilities*. In the 2021-22 Model the information from this note has been included in the *Payables and Contract Liabilities* note. |
| Note 28 *Other Provisions* | Removal of the requirement for prior period disclosures |
| Note 31 *Financial Instruments* | Removal the requirement to disclose Financial Assets in the Maturity Analysis. |
| Note 34 *Interest in a Joint Venture* | This note has been moved from Gains Notes section to Other Notes. |
| *Controlled Recurrent Payments* | Note has been removed as information is available in the *Statement of Appropriation*. |
| *Depreciation and Amortisation* | Note has been removed as information is available in *Property, Plant and Equipment* and *Intangible Assets*. |

## Application

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

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

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

ACT Accounting Policies relating to recognition and measurement are incorporated in ACT Accounting Policy Papers, which are available on the ACT Accounting website at [www.act.gov.au/accounting](http://www.act.gov.au/accounting). However, ACT Accounting Policies relating to disclosures are included in the Model as well as any ACT Accounting Disclosure Papers issued by the Financial Reporting and Framework Branch (which are also included on the ACT Accounting website).

## Accounting Standards and Guidance Releases

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

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

## Adapting the Model to Individual Agency Requirements

### Decluttering Financial Statements

Agencies need to continue their efforts in further streamlining and decluttering their financial statements by removing immaterial, duplicate or irrelevant disclosures that have built up over time. Agencies need to apply judgement in determining which disclosures could be omitted. Agencies need to consider the Materiality Guidance at Section 1.2 in making this assessment, in conjunction with the recent streamlining made to the 2021-22 Model Financial Statements to reduce clutter.

### Presentation

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

Where an accounting standard requires a line item to be included in the financial statements, but the agency does not have any current year, prior year or original budget figures against this line item, the line item need not be disclosed in the financial statements. The exceptions to this are the net cash inflows / (outflows) sub-totals in the Statement of Cash Flows and where indicated in the commentary to a statement or note. For completeness, all 3 subtotals (for operating, investing and financing activities) should be displayed.

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

### Note Disclosures

The primary purpose of the Model Financial Statements is to illustrate how the most commonly applicable disclosure requirements for ACT Government agencies can be met. The Model contains some disclosures that may not be overall material to ‘Burley Griffin Agency’, but the disclosure is included because it may be material to an agency. Agencies should consider their own specific circumstances when determining which disclosures to include.

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

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

The breakdown of statement line items contained in various notes (e.g.Note 11 *Supplies and Services* and Note 14 *Other Expenses*) need to be tailored to the requirements of each agency. All material amounts are to be individually disclosed in these notes.

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

Given the Territory Authority Section (TAS) has been withdrawn and the information incorporated into the Model, any text that specifically relates to Territory Authorities will be included in [ ] in blue text in the Model. In the commentary sections, Territory Authority information is included under a separate heading.

### Comparative Figures for New Agencies

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

## Consolidation

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

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

## Certification

### Independent Auditor’s Report

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

## Submission Date for Financial Statements

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

CMTEDD issues a timetable each year that provides the dates when:

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

ACT MODEL FINANCIAL STATEMENTS

**OF**

**‘BURLEY GRIFFIN AGENCY’**

**For the Year Ended**

**30 June 2022**

Independent Auditor’s Report

[Insert the Report from the ACT Audit Office.]

**‘Burley Griffin Agency’**

**Financial Statements**

**For the Year Ended 30 June 2022**

Statement of Responsibility

In my opinion, the Directorate’s\* financial statements fairly reflect the financial operations for the year ended 30 June 2022 and its financial position on that date.

Chloe Grace

Director-General *[Chief Executive Officer or Chairperson]*

‘Burley Griffin Agency’

August 2022

|  |  |
| --- | --- |
| Reference | **Commentary – Statement of Responsibility** |
| FMA Section 28 and 64 | The *Financial Management Act 1996* (FMA) requires the Director-General/Chief Executive Officer/Chairperson to attach a ‘Statement of Responsibility’ to the financial statements. The statement is to be signed by the Director-General of a Directorate or by the Chief Executive Officer of a Territory Authority where the Authority does not have a governing board. Where the Authority has a governing board the Chair of that board must sign the statement. |
|  | For Directorates and Territory Authorities, the ‘Statement of Responsibility’ must state whether, in the opinion of the responsible Director-General/Chief Executive Officer/Chairperson, the financial statements fairly reflect the financial operations of the agency during the reporting period and the financial position of the agency at the end of the reporting period. In addition, Territory Authorities should also state that the Chief Executive Officer or Chairperson is responsible for the preparation of the annual financial statements and the judgements exercised in preparing it. |
|  | The name of the Director-General/Chief Executive Officer/Chairperson of the agency must be clearly printed on the statement.  **Territory Authority Commentary** |
|  | A Territory Authority should use the following wording in its Statement of Responsibility: |
|  | [As the Chief Executive Officer/Chairperson of ‘Example Territory Authority’ I am responsibility for the preparation of the annual financial report as well as the judgements exercised in preparing it. In my opinion, the Authority’s financial statements fairly reflect the financial operations for the year ended 30 June 2022 and the financial position on that date.] |

**‘Burley Griffin Agency’**

**Financial Statements**

**For the Year Ended 30 June 2022**

Statement by the Chief Finance Officer

In my opinion, the Agency’s financial statements have been prepared in accordance with the Australian Accounting Standards, are in agreement with its accounts and records and fairly reflect its financial operations for the year ended 30 June 2022 and the financial position on that date.

Harry Austin

Chief Finance Officer

‘Burley Griffin Agency’

August 2022

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

**‘BURLEY GRIFFIN AGENCY’**

CONTROLLED FINANCIAL STATEMENTS

**For the Year Ended**

**30 June 2022**

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

**BURLEY GRIFFIN AGENCY’**

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**‘BURLEY GRIFFIN AGENCY’**

**CONTENT OF CONTROLLED FINANCIAL STATEMENTS –CONTINUED**

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|  |  |
| --- | --- |
| **Reference** | **Commentary − Content of Financial Statements** |
|  | Presentation of Notes |
| AASB 101.113 | A table of contents helps users to quickly access a particular statement or note. AASB 101 *Presentation of Financial Statements* only requires that notes in the financial statements be presented in a systematic manner. In determining a systematic manner, an agency must consider the effect on the understandability and comparability of its financial statements. Each item in a financial statement must be cross-referenced to any directly related information in the notes. |
|  | Page numbers are used in the Model for ease of reference. Agencies are not required to include page numbers in the table of contents due to the difficulty in knowing what page numbers the financial statements will have in the annual report. |
| AASB 101.114        AASB 101.16 | Examples of systematic ordering or grouping of the notes include:   * giving prominence to the areas of activities that the agency considers most relevant to an understanding of its operating statement and balance sheet, such as grouping together information about particular operating activities; * grouping together information about items measured similarly such as assets measured at fair value; or * following the order of the line items in the operating statement and the balance sheet, such as:  1. a statement of compliance with IFRSs\*; 2. supporting information for items presented in the Operating Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows, in the order in which each statement and each line item is presented; and 3. other disclosures, including:    * contingent liabilities and unrecognised contractual commitments; and    * non-financial disclosures, for example the agency’s financial risk management objectives and policies. |
| AASB 101.3  AASB 1054.7  AASB 101.16  AASB 101.Aus16.2 | \*Note: ACT Government agencies cannot make a statement of compliance with IFRSs but shall make a statement of compliance with Australian Accounting Standards. The Model includes this statement of compliance in Note 2 *Basis of Preparation of the Financial Statements*. However, for-profit authorities are required to make an explicit and unreserved statement of compliance with IFRS in the notes where their financial statements comply with IFRSs. Compliance with Australian Accounting Standards by for-profit agencies will not necessarily lead to compliance with IFRSs. This circumstance arises when the entity is a for-profit government agency to which particular standards apply, such as AASB 1004 *Contributions*, and to which Aus paragraphs in various other Australian Accounting Standards apply, and the entity applies a requirement that is inconsistent with an IFRS requirement. |
|  | Additional Information |
| AASB 101.112(b) &(c) | The notes must disclose additional information that is not presented in the financial statements as required by Australian Accounting Standards, ACT Disclosure Policy and where it is necessary to enable an assessment of the agency’s financial performance and financial position to be made. |

**‘Burley Griffin Agency’**

Operating Statement

**For the Year Ended 30 June 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Reference |  | Note No. | Actual  2022  $’000 | Original Budget  2022  $’000 | Actual  2021  $’000 |
| AASB 101.85 | **Income** |  |  |  |  |
| AASB 101.82(a) | *Revenue* |  |  |  |  |
| AASB 101.85  AASB 1004.63(a)  AASB 1058.26(c) | Controlled Recurrent Payments | # |  |  |  |
| AASB 15.113(a) | Sales of Goods and Services from Contracts with Customers | 5 |  |  |  |
| AASB 1058.26(a), (b) | Grants and Contributions Revenue | 6 |  |  |  |
| AASB 118.35(b)(iii),  101.82(a)) | Investment Revenue | 7 |  |  |  |
| AASB 101 para 82 | Interest Revenue | 7 |  |  |  |
| AASB 101.85 | Other Revenue | 9 |  |  |  |
| AASB 101.82(a) | *Total Revenue* |  |  |  |  |
| AASB 101.85  AASB 101.34(a) | *Gains* |  |  |  |  |
| AASB 101.98(c),(d) | Gains from Disposal, Derecognition and Remeasurement of Assets | 8 |  |  |  |
| AASB 101.85 | Other Gains | 9 |  |  |  |
| AASB 101.85 | *Total Gains* |  |  |  |  |
| AASB 101.85 | **Total Income** |  |  |  |  |
|  |  |  |  |  |  |
| AASB 101.85 | **Expenses** |  |  |  |  |
| AASB 101.85 & 102 | Employee Expenses | 10 |  |  |  |
| AASB 101.85 & 102 | Superannuation Expenses | 10 |  |  |  |
| AASB 101.85 & 102 | Supplies and Services | 11 |  |  |  |
| AASB 101.85 & 102 | Depreciation and Amortisation | 19,21 |  |  |  |
| AASB 101.85 & 102 | Grants and Purchased Services | 12 |  |  |  |
| AASB 101.85 & 102 | Cost of Goods Sold and Distributed | 17 |  |  |  |
| AASB 101.82(b) | Borrowing Costs | 13 |  |  |  |
| AASB 101.85 & 102 | Other Expenses | 14 |  |  |  |
| AASB 101.85 | **Total Expenses** |  |  |  |  |
|  |  |  |  |  |  |
| AASB 101.82(c) | Share of Operating Profit from Joint Venture accounted for using the Equity Method | 34 |  |  |  |
| AASB 101. 81A(a) | **Operating Result** |  |  |  |  |
|  |  |  |  |  |  |
| AASB 101.85 | **Other Comprehensive Income**  *Items that will not be reclassified subsequently to profit or loss* |  |  |  |  |
| AASB 101.82A(a)(i) | Increase/(decrease) in the Asset Revaluation Surplus |  |  |  |  |
| AASB 101.82A(b)(i) | Increase/(decrease) in the Asset Revaluation Surplus attributable to Joint Ventures |  |  |  |  |
| AASB 101.81A(b) | **Total Other Comprehensive Income** |  |  |  |  |
|  |  |  |  |  |  |
| AASB 101.81A(c) | **Total Comprehensive Income** |  |  |  |  |
|  |  |  |  |  |  |
|  | The above Operating Statement should be read in conjunction with the accompanying notes. | | | | |
|  | # Refer to the Statement of Appropriation. | | | | |

|  |  |
| --- | --- |
| Reference | Commentary − Operating Statement |
| AASB 101.81A ACT Disclosure Policy  AASB 101.10  ACT Disclosure Policy | ACT Disclosure Policy requires an agency to include one Statement of Profit or Loss and Other Comprehensive Income in their financial statements. AASB 101 *Presentation of Financial Statements* allows entities to choose the title of the one Statement of Profit or Loss and Other Comprehensive Income. However, ACT Disclosure Policy requires that the single Statement of Profit or Loss and Other Comprehensive Income be called an Operating Statement to maintain consistency and to reflect the fact that most agencies do not operate solely with the intention to generate a profit, but to provide services to the community in an efficient and effective manner. The Operating Statement discloses items of profit and loss as well as other comprehensive income as appropriate. |
|  | Format |
| AASB 101.81A – 105 | AASB 101 sets out the format for the Operating Statement, including certain line items that must be disclosed in the statement. |
| FMA Section 27(2)  FMA Section 63(2) | The *Financial Management Act 1996 (*FMA) requires that the annual financial statements of an agency be prepared in accordance with Australian Accounting Standards and in a form that facilitates a comparison between financial operations of the agency during the reporting period and the estimates of those operations contained in the budget for the agency for the reporting period. |
| ACT Disclosure Policy | Income and expenses are disaggregated in the Operating Statement. |
| AASB 101.82 | AASB 101 requires that the total amounts of the following line items be disclosed in the Income or Expenses section of the Operating Statement:   * revenue, presenting separately interest revenue calculated using the effective interest method; * gains and losses arising from the derecognition of financial assets measured at amortised cost; * finance costs; * impairment losses (including reversals of impairment losses); * share of profit or (loss) of associates andjoint ventures accounted for using the equity method; * gains or losses arising from reclassifying a financial asset from amortised cost to fair value through profit and loss; * any cumulative gains or losses previously recognised in other comprehensive income that is reclassified to profit and loss arising from a financial asset moving from the other comprehensive income measurement category to the fair value through profit and loss measurement category; * tax expense; and * single amount for the total of discontinued operations. |
| AASB 101.82A | AASB 101 requires the other comprehensive income section to present line items for amounts of other comprehensive income classified by nature (including the share of the other comprehensive income of associates and joint ventures accounted for using the equity method) and grouped into those that in accordance with other Australian Accounting Standards:   * will not be reclassified subsequently to profit or loss (income or expense); and * will be reclassified subsequently to profit or loss (income or expense) when specific conditions are met. |
| AASB 101.96 | Examples of other comprehensive income items that would never be reclassified to profit or loss are changes in the revaluation surplus recognised in accordance with AASB 116 *Property, Plant and Equipment* or AASB 138 *Intangible Assets* and actuarial gains and losses on defined benefit pension plans recognised in accordance with AASB 119 *Employee Benefits*. It is unlikely that agencies would have items of other comprehensive income that may subsequently be reclassified to profit or loss. |
| AASB 101.85 | Additional line items (including by disaggregating the line items listed above), headings and sub-totals are required to be presented in the Operating Statement when such presentation is relevant to an understanding of the agency’s financial performance. These additional sub-totals must: |
| AASB 101.85A | * be made up of items recognised and measured in accordance with Australian Accounting Standards; * be presented and labelled in a manner that makes the sub-totals clear and understandable and consistent from period to period; and * not be displayed with more prominence than the sub-totals and totals required in Australian Accounting Standards. |
| AASB 101.85B | An agency must present the line items in the Operating Statement that reconcile any sub-totals presented in accordance with AASB 101.85 with the sub-totals or totals required in Australian Accounting Standards for the Operating Statement. |
|  | Note that where an agency has no amounts applicable to any individual line item, that line item should not be included in the Operating Statement. |
| Reference | Commentary − Operating Statement – Continued |
| AASB 101.51(c), 51(e) & 53 | The reporting date and rounding used in the Operating Statement must be identified. |
| AASB 101.113 | The Operating Statement must be cross-referenced to relevant notes included, based on materiality considerations. |
|  | Budget |
| FMA Section 27(2)  FMA s63(2) | The budget numbers appearing in the Operating Statement for directorates are the numbers published in the 2021-22 Budget Papers. Budget numbers appearing in the Operating Statement for territory authorities are based on the authority’s Statement of Intent included in the 2021-22 Budget Papers. |
|  | Income |
| AASB Framework 74 & 76 | Income is comprised of revenue and gains. Gains are to be displayed separately to revenue in the Operating Statement as this separate identification is useful for the purpose of making economic decisions. Gains are often reported net of related expenses. Note that where a net loss occurs in relation to a particular transaction, it is disclosed as part of Other Expenses. |
|  | **Offset of Income and Expenses** |
| AASB 101.32  AASB 116.71 | Income and expenses must not be offset unless required or permitted by an Australian Accounting Standard. For example, AASB 116 *Property, Plant and Equipment* allows the offset of the income and expense from  de-recognition of an item of property, plant and equipment. |
|  | **Classification of Expenses** |
| AASB 101.99  AASB 101.100  ACT Disclosure Policy | Under AASB 101, expenses shall be classified by using either:   * the nature of expenses method; or * the function of expenses method.   The standard encourages this classification to be disclosed in the Operating Statement. ACT Disclosure Policy requires agencies to classify expenses by their nature. |
|  | **Goods and Services Tax (GST)** |
| Interpretation 1031.6 | Revenue and expenses must be recognised net of the GST except where the amount of GST incurred is not recoverable from the taxation authority. In this case, the GST must be recognised as part of the item of expense. |
|  | **Materiality and Aggregation** |
| AASB 101.30A | Agencies need to consider the Materiality Guidance for Financial Statements Simplification under Section 1.2 Materiality Guidance. An agency should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the Operating Statement, which includes the notes. It must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. |
|  | **Extraordinary Items** |
| AASB 101.87 | Agencies must not classify any items of income or expense as extraordinary either in the Operating Statement or in the notes to the financial statements. |
|  | **Appropriate Notes** |
| AASB 101.85  AASB 101.81A  AASB 101.5 & 10 | In some cases it may be more appropriate to disclose different expense and revenue classes as needed on the Operating Statement. For example, Cost of Goods Sold may be more appropriate to territory authorities whereas Grants and Purchased Services, may not apply. Where this is the case an appropriate note should also accompany the line item presented.  **Territory Authority Commentary**  Where a territory authority is for-profit it will have to call the ‘Operating Statement’ a ‘Statement of Comprehensive Income’. |

**‘Burley Griffin Agency’**

Balance Sheet

**As at 30 June 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Reference |  | Note No. | Actual  2022  $’000 | Original  Budget  2022  $’000 | Actual  2021  $’000 |
| AASB 101.60 | **Current Assets** |  |  |  |  |
| AASB 101.54(i) | Cash and Cash Equivalents | 15 |  |  |  |
| AASB 101.54(d) | Investments | 15 |  |  |  |
| AASB 101.54(h) | Receivables | 16 |  |  |  |
| AASB 15.105 | Contract Assets | 16 |  |  |  |
| AASB 101.54(g) | Inventories | 17 |  |  |  |
| AASB 101.54(j) | Non-Current Assets Held for Sale | 18 |  |  |  |
| AASB 101.55 | Other Assets | 23 |  |  |  |
| AASB 101.55 | **Total Current Assets** |  |  |  |  |
| AASB 101.60 | **Non-Current Assets** |  |  |  |  |
| AASB 101.54(d) | Investments | 15 |  |  |  |
| AASB 101.54(h) | Receivables | 16 |  |  |  |
| AASB 15.105 | Contract Assets | 16 |  |  |  |
| AASB 101.54(g) | Inventories | 17 |  |  |  |
| AASB 101.54(e) | Investment – Joint Venture | 34 |  |  |  |
| AASB 101.54(a) | Property, Plant and Equipment | 19 |  |  |  |
| AASB 101.54(b) | Investment Properties | 20 |  |  |  |
| AASB 101.54(c) | Intangible Assets | 21 |  |  |  |
| AASB 101.55 | Capital Works in Progress | 22 |  |  |  |
| AASB 101.55 | Other Assets | 23 |  |  |  |
| AASB 101.55 | **Total Non-Current Assets** |  |  |  |  |
| AASB 101.55 | **Total Assets** |  |  |  |  |
| AASB 101.60 | **Current Liabilities** |  |  |  |  |
| AASB 101.54(k) | Payables | 24 |  |  |  |
| AASB 101.55 | Contract Liabilities | 24 |  |  |  |
| AASB 101.54(m) | Borrowings | 25 |  |  |  |
| AASB 16.47(b) | Lease Liabilities | 26 |  |  |  |
| AASB 101.54(l) | Employee Benefits | 27 |  |  |  |
| AASB 101.54(l) | Other Provisions | 28 |  |  |  |
| AASB 101.55 | Other Liabilities | 29 |  |  |  |
| AASB 101.55 | **Total Current Liabilities** |  |  |  |  |
| AASB 101.60 | **Non-Current Liabilities** |  |  |  |  |
| AASB 101.54(k) | Payables | 24 |  |  |  |
| AASB 101.55 | Contract Liabilities | 24 |  |  |  |
| AASB 101.54(m) | Borrowings | 25 |  |  |  |
| AASB 16.47(b) | Lease Liabilities | 26 |  |  |  |
| AASB 101.54(l) | Employee Benefits | 27 |  |  |  |
| AASB 101.54(l) | Other Provisions | 28 |  |  |  |
| AASB 101.55 | Other Liabilities | 29 |  |  |  |
| AASB 101.55 | **Total Non-Current Liabilities** |  |  |  |  |
| AASB 101.55 | **Total Liabilities** |  |  |  |  |
|  | **Net Assets** |  |  |  |  |
|  |  |  |  |  |  |
| AASB 101.55 | **Equity** |  |  |  |  |
|  | Contributed Equity |  |  |  |  |
|  | Accumulated Funds |  |  |  |  |
|  | Asset Revaluation Surplus |  |  |  |  |
|  | Other Reserves |  |  |  |  |
|  | **Total Equity** |  |  |  |  |
|  |  |  |  |  |  |
|  | The above Balance Sheet is to be read in conjunction with the accompanying notes. | | | | |

|  |  |
| --- | --- |
| Reference | Commentary − Balance Sheet |
|  | Format |
| AASB 101.54 - 80  AASB 101.5  AASB 101.10  ACT Disclosure Policy | A Statement of Financial Position is to be included in the financial statements. AASB 101 allows both for-profit and not-for-profit agencies to change the title of their financial statements, so it is ACT Disclosure policy that the Statement of Financial Position be called the Balance Sheet. AASB 101 sets out the format for the Balance Sheet, including certain line items that must be disclosed in the statement. |
| AASB 101.60 | AASB 101 requires all assets and all liabilities to be presented as current or non-current except where a presentation based on liquidity provides information that is more relevant and reliable. Current assets should be presented separately from non-current assets and current liabilities should be presented separately from non-current liabilities in the Balance Sheet. |
| AASB 101.54 | AASB 101 requires the following items be disclosed separately in the Balance Sheet:  Assets: |
|  | * cash and cash equivalents; |
|  | * trade and other receivables; |
|  | * inventories; |
|  | * assets held for sale and assets included in disposal groups classified as held for sale; |
|  | * investment property; |
|  | * biological assets; |
|  | * investments accounted for using the equity method; |
|  | * current tax assets; |
|  | * deferred tax assets; |
|  | * financial assets (excluding cash and cash equivalents, trade and other receivables, and investments accounted for using the equity method); |
|  | * property, plant and equipment; and |
|  | * intangible assets. |
| AASB 16.47 | Right-of use assets are disclosed in Note 19 *Property, Plant and Equipment* under the relevant class of asset. |
|  | Liabilities: |
|  | * trade and other payables; |
|  | * liabilities included in a disposal group classified as held for sale; |
|  | * current tax liabilities; |
|  | * deferred tax liabilities; |
|  | * financial liabilities (excluding trade and other payables, and provisions); and |
|  | * provisions. |
| AASB 101.55 | Additional line items (including by disaggregating the line items listed above), headings and sub-totals shall be presented in the Balance Sheet when their presentation is relevant to the understanding of the agency’s financial position. These additional sub-totals must: |
| AASB 101.55A | * be made up of items recognised and measured in accordance with Australian Accounting Standards; |
|  | * be presented and labelled in a manner that makes the sub-totals clear and understandable and consistent from period to period; and |
|  | * not be displayed with more prominence than the sub-totals and totals required in Australian Accounting Standards. |
|  | Note that where an agency has no amounts applicable to any individual line item, that line item should not be included in the Balance Sheet. |
|  | The Contributed Equity line item contained in the Model Balance Sheet relates to Territory Authorities. |
| AASB 101.51(c), 51(e) &53  AASB 101.113 | The reporting date and rounding used in the Balance Sheet must be identified.  The Balance Sheet must be cross-referenced to relevant notes included, based on materiality considerations. |
|  | **Budget** |
| FMA Section 27(2)  FMA s63(2) | The budget numbers appearing in the Balance Sheet are those published in the 2021-22 Budget Papers. For Territory Authorities budget numbers appearing in the Balance Sheet are based on the authority’s Statement of Intent included in the Budget Papers. |
| Reference | Commentary – Balance Sheet – Continued |
|  | **Classification of Assets** |
| AASB 101.66 | An asset is classified as current when it satisfies any one of the following criteria:   * it is expected to be realised in, or is intended for sale or consumption in, the agency’s normal operating cycle; * it is held primarily for the purpose of being traded; * it is expected to be realised within 12 months after the reporting date; or * it is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.   All other assets are classified as non-current. |
|  | Classification of Liabilities |
| AASB 101.69 | A liability is classified as current when it satisfies any one of the following criteria:   * it is expected to be settled in the agency’s normal operating cycle; * it is held primarily for the purpose of being traded; * it is due to be settled within 12 months after the reporting date; or * the agency does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.   All other liabilities are classified as non-current. |
|  | Operating Cycle |
| AASB 101.68 & 70 | Where the operating cycle is greater than 12 months, assets that are sold, consumed or realised as part of that operating cycle, or liabilities that are part of the working capital used in the agency’s normal operating cycle, are classified as current. When the agency’s normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months. |
|  | Goods and Services Tax (GST) |
| Interpretation 1031.7 | The amount of GST incurred by a purchaser that is not recoverable from the taxation authority is required to be recognised as part of the cost of the acquisition of an asset. |
|  | Interpretation 1031 requires receivables and payables to be stated with the amount of GST included. |
| Interpretation 1031.8 | Apart from the above circumstances, assets must be recognised net of the amount of GST. |
| Interpretation 1031.6 & 9 | Interpretation 1031 requires the net amount of GST recoverable from, or payable to, the taxation authority to be included as part of receivables or payables in the Balance Sheet. |
|  | **Materiality and Aggregation** |
| AASB 101.30A | Agencies need to consider the Materiality Guidance for Financial Statements Simplification under Section 1.2 Materiality Guidance. An agency should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the Balance Sheet, which includes the notes. It must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. |
|  | **Offset of Assets and Liabilities** |
| AASB 101.32 | Assets and liabilities shall not be offset unless required or permitted by an Australian Accounting Standard. |
| ACT Disclosure Policy | Lease liabilities are presented separately in the Balance Sheet. |
|  | **Dividends Declared** |
| AASB 110.12 & 13 AASB 101.137(a) | Dividends declared after the reporting date should not be recognised as a liability in the Balance Sheet. However, dividends declared after the reporting date but before the financial statements are authorised for issue should be disclosed in the notes. |

**‘Burley Griffin Agency’**

Statement of Changes in Equity

**For the Year Ended 30 June 2022**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Reference |  | Contributed Equity | | Accumulated  Funds  Actual  2022  $’000 | Asset Revaluation Surplus  Actual  2022  $’000 | Other Reserves  Actual  2022  $’000 | Total Equity  Actual  2022  $’000 | Total Original  Budget  2022  $’000 |
|  |  | Note No. | Actual  2022  $’000 |
|  |  |  |  |  |  |  |  |  |
|  | **Balance at 1 July 2021** |  |  |  |  |  |  |  |
| AASB 108.19(b)  AASB 101.106 (b) | Change in accounting policy | 4 |  |  |  |  |  |  |
| AASB 101.106 (b) | Correction of a Prior Period Error | 4 |  |  |  |  |  |  |
|  | **Restated Balance at 1 July 2021** |  |  |  |  |  |  |  |
|  | **Comprehensive Income** |  |  |  |  |  |  |  |
| AASB 101.106(d)(i) | Operating Result |  |  |  |  |  |  |  |
| AASB 101.106(d)(ii) | Increase/(Decrease) in the Asset Revaluation Surplus |  |  |  |  |  |  |  |
|  | Other Comprehensive Income |  |  |  |  |  |  |  |
| AASB 101.106(a) | **Total Comprehensive Result** |  |  |  |  |  |  |  |
|  | Transfers (from)/to reserves |  |  |  |  |  |  |  |
|  | **Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |  |  |  |  |
| AASB 101.106(d)(iii) | Capital Injections |  |  |  |  |  |  |  |
| AASB 101.106(d)(iii) | Capital (Distributions) |  |  |  |  |  |  |  |
| AASB 101.106(d)(iii) | Net Assets transferred in as part of an Administrative Restructure | 30 |  |  |  |  |  |  |
| AASB 101.106(d)(iii) | Net Assets transferred out as part of an Administrative Restructure | 30 |  |  |  |  |  |  |
| AASB 101.107  AASB 101.106(d)(iii) | Dividend Approved |  |  |  |  |  |  |  |
|  | **Total Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  | **Balance at 30 June 2022** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  | The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes. | | | | | | | |

**‘Burley Griffin Agency’**

**Statement of Changes in Equity – Continued**

**For the Year Ended 30 June 2021**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Reference |  |  | Contributed Equity  Actual  2021  $’000 | Accumulated Funds  Actual  2021  $’000 | Asset Revaluation Surplus  Actual  2021  $’000 | Other Reserves  Actual  2021  $’000 | Total Equity  Actual  2021  $’000 |
|  |  | Note No. |
|  |  |  |  |  |  |  |  |
|  | **Balance at 1 July 2020** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | **Comprehensive Income** |  |  |  |  |  |  |
| AASB 101.106(d)(i) | Operating Result |  |  |  |  |  |  |
| AASB 101.106(d)(ii) | Increase/(Decrease) in the Asset Revaluation Surplus |  |  |  |  |  |  |
|  | Other Comprehensive Income |  |  |  |  |  |  |
| AASB 101.106(a) | **Total Comprehensive Income** |  |  |  |  |  |  |
|  | Transfers (from)/to reserves |  |  |  |  |  |  |
|  | **Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |  |  |  |
| AASB 101.106(d)(iii) | Capital Injections |  |  |  |  |  |  |
| AASB 101.106(d)(iii) | Capital (Distributions) |  |  |  |  |  |  |
| AASB 101.106(d)(iii) | Net Assets transferred in as part of an Administrative Restructure | 30 |  |  |  |  |  |
| AASB 101.106(d)(iii) | Net Assets transferred out as part of an Administrative Restructure | 30 |  |  |  |  |  |
| AASB 101.107  AASB 101.106(d)(iii) | Dividend Approved |  |  |  |  |  |  |
|  | **Total Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | **Balance at 30 June 2021** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | The above Statement of Changes in Equity is to read in conjunction with the accompanying notes. | | | | | | |

|  |  |
| --- | --- |
| Reference | Commentary − Statement of Changes in Equity |
|  | **Format** |
| AASB 101.106 – 110 | The Statement of Changes in Equity, must include certain line items. |
| AASB 101.106 | An agency shall present a Statement of Changes in Equity showing in the statement:   * total Comprehensive Income for the period; * for each component of equity (i.e. accumulated funds, reserves and contributed equity), the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108; and * for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:   + profit or loss;   + other comprehensive income; and   + transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control. |
|  | Note that where an agency has no amounts applicable to any individual line item, that line item should not be included in the Statement of Changes in Equity. |
| AASB 101.51(c), 51(e) & 53  AASB 101.113 | The reporting date and rounding used in the Statement of Changes in Equity must be identified.  The Statement of Changes in Equity must be cross-referenced to relevant notes included, based on materiality considerations. |
| AASB 101.106,106A | AASB 101 allows for the reconciliation of items of other comprehensive income to be presented either in the Statement of Changes in Equity or in the notes. |
|  | **Budget** |
| FMA Section 27(2)  FMA s63(2) | The budget numbers appearing in the Statement of Changes in Equity are those numbers published in the 2021-22 Budget Papers. For Territory Authorities budget numbers appearing in the Statement of Changes in Equity are based on the authority’s Statement of Intent included in the Budget Papers. |
|  | Dividend |
| AASB 101.107  ACT Disclosure Policy | Dividends recognised as distributions to owners during the year must be disclosed in the Statement of Changes in Equity or in the notes. ACT Disclosure policy requires that agencies include dividends in the Statement of Changes in Equity. |
|  | Materiality and Aggregation |
| AASB 101.30A | Agencies need to consider the Materiality Guidance for Financial Statements Simplification under Section 1.2 Materiality Guidance. An agency should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the Statement of Changes in Equity, which includes the notes. It must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. |

**‘Burley Griffin Agency’**

Statement of Cash Flows

**For the Year Ended 30 June 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Reference |  | Note No. | Actual  2022  $’000 | Original  Budget  2022  $’000 | Actual  2021  $’000 |
| AASB 107.10 | **Cash Flows from Operating Activities** |  |  |  |  |
|  | **Receipts** |  |  |  |  |
| AASB 107.14(a) | Controlled Recurrent Payments |  |  |  |  |
| AASB 107.14(a) | Sales of Goods and Services from Contracts with Customers |  |  |  |  |
|  | Grants and Contributions Receipts |  |  |  |  |
|  | Investment Receipts |  |  |  |  |
| AASB 107.31 | Interest Received |  |  |  |  |
| AASB 107.31 | Dividends Received |  |  |  |  |
| AASB 107.38 | Distribution from Joint Ventures |  |  |  |  |
|  | Goods and Services Tax Input Tax Credits from the Australian Taxation Office |  |  |  |  |
|  | Goods and Services Tax Collected from Customers |  |  |  |  |
| AASB 107.14(b) | Other |  |  |  |  |
|  | **Total Receipts from Operating Activities** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Payments** |  |  |  |  |
| AASB 107.14(d) | Employee |  |  |  |  |
| AASB 107.14(d) | Superannuation |  |  |  |  |
| AASB 107.14(c) | Supplies and Services |  |  |  |  |
|  | Related to Cost of Goods Sold |  |  |  |  |
|  | Grants and Purchased Services |  |  |  |  |
| AASB 107.31 | Borrowing Costs |  |  |  |  |
|  | Goods and Services Tax Remitted to the Australian Taxation Office |  |  |  |  |
|  | Goods and Services Tax Paid to Suppliers |  |  |  |  |
| AASB 107.35 | National Tax Equivalent Payments |  |  |  |  |
|  | Other |  |  |  |  |
|  | **Total Payments from Operating Activities** |  |  |  |  |
|  | **Net Cash Inflows/(Outflows) from Operating Activities** | 15 |  |  |  |
|  |  |  |  |  |  |
| AASB 107.10 | **Cash Flows from Investing Activities** |  |  |  |  |
|  | **Receipts** |  |  |  |  |
| AASB 107.16(b) | Proceeds from Sale of Property, Plant and Equipment |  |  |  |  |
|  | Proceeds from Sale of Investment Property |  |  |  |  |
| AASB 107.16(b) | Proceeds from Sale/Maturity of Investments |  |  |  |  |
| AASB 107.16(d) | Proceeds from Sale of Investment in Joint Venture |  |  |  |  |
| AASB 107.16(f) | Loan Receivable Repayment Received |  |  |  |  |
|  | **Total Receipts from Investing Activities** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Payments** |  |  |  |  |
| AASB 107.16(a) | Purchase of Property, Plant and Equipment |  |  |  |  |
|  | Purchase of Investment Property |  |  |  |  |
| AASB 107.16(a) | Purchase of Investments |  |  |  |  |
| AASB 107.16(c) | Purchase of Investment in Joint Venture |  |  |  |  |
| AASB 107.16(e) | Loans Receivable Provided |  |  |  |  |
|  | **Total Payments from Investing Activities** |  |  |  |  |
|  | **Net Cash Inflows/(Outflows) from Investing Activities** |  |  |  |  |

**‘Burley Griffin Agency’**

Statement of Cash Flows – Continued

**For the Year Ended 30 June 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Reference |  | Note No. | Actual  2022  $’000 | Original  Budget  2022  $’000 | Actual  2021  $’000 |
|  |  |  |  |  |  |
| AASB 107.10 | **Cash Flows from Financing Activities** |  |  |  |  |
|  | **Receipts** |  |  |  |  |
|  | Capital Injections |  |  |  |  |
| AASB 107.17(c) | Proceeds from Borrowings |  |  |  |  |
|  | Receipts of Transferred Cash Balances |  |  |  |  |
|  | **Total Receipts from Financing Activities** |  |  |  |  |
|  | **Payments** |  |  |  |  |
|  | Distributions to Government |  |  |  |  |
| AASB 107.17(d) | Repayment of Borrowings |  |  |  |  |
| AASB 107.17(e)  AASB 16.50(a) | Repayment of Lease Liabilities – Principal |  |  |  |  |
| AASB 107.31 | Payment of Dividend |  |  |  |  |
|  | **Total Payments from Financing Activities** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Net Cash Inflows/(Outflows) from Financing Activities** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Net Increase/(Decrease) in Cash and Cash Equivalents** |  |  |  |  |
|  | Cash and Cash Equivalents at the Beginning of the Reporting Period |  |  |  |  |
|  | **Cash and Cash Equivalents at the End of the Reporting Period** | 15 |  |  |  |
|  |  |  |  |  |  |
|  | The above Statement of Cash Flows is to be read in conjunction with the accompanying notes. | | | | |
|  |  | | | | |
|  | Commentary − Statement of Cash Flows | | | | | |
|  | Classification of Cash Flows | | | | | |
| AASB 107.10 | AASB 107 *Statement of Cash Flows* requires that cash flows be classified as arising from operating, investing or financing activities. | | | | | |
| AASB 107.31 | AASB 107 also requires the following cash flows to be separately disclosed on the Statement of Cash Flows:   * interest received; * dividends received; * dividends paid; and * borrowing costs. | | | | | |
| ACT Disclosure Policy  AASB 107.33 | For consistency across the ACT Government, agencies should classify interest received and paid, and dividends received as an operating cash flow. | | | | | |
| AASB 107.34  ACT Disclosure Policy | AASB 107 allows dividends paid to be classified as either a financing cash flow or an operating cash flow. ACT Disclosure Policy requires agencies to classify dividends paid as a financing cash flow. | | | | | |
| AASB 107.42A | Cash flows arising from changes in ownership interests where control is neither lost nor obtained are classified as financing transactions. | | | | | |
|  | Where an agency has no amounts applicable to any individual line item, these line items should not be included in the Statement of Cash Flows. | | | | | |
| AASB 101.51(c),(e) & 53 | The reporting date and rounding used in the Statement of Cash Flows must be identified. | | | | | |
| AASB 101.113 | The Statement of Cash Flows must be cross-referenced to relevant notes included, depending upon materiality considerations. | | | | | |

|  |  |
| --- | --- |
| **Reference** | **Commentary − Statement of Cash Flows – Continued** |
|  | Reporting of Cash Flows |
| AASB 107.18 & 21  ACT Disclosure Policy | AASB 107 allows cash flows arising from operating activities to be reported in the Statement of Cash Flows using either the direct or indirect method. ACT Disclosure Policy requires that agencies use the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed. Major classes of investing and financing cash flows shall be presented on a gross basis. |
| AASB 107.22 | However, the following items, may be reported on a net basis:   * items where the agency is, in substance, holding or disbursing cash on behalf of its customers; and * items where turnover is quick, the amounts are large, and the maturities are short i.e. less than 3 months. |
|  | These two situations will not apply to agencies with the possible exception of the Territory Banking Account and/or the Superannuation Provision Account. |
|  | Budget |
| FMA Section 27(2)  FMA s63(2) | The budget numbers appearing in the Statement of Cash Flows are the numbers published in the 2021-22 Budget Papers. For Territory Authorities budget numbers appearing in the Statement of Cash Flows are based on the authority’s Statement of Intent included in the Budget Papers. |
|  | Definitions |
| AASB 107.6 & 9 | Cash flows are inflows and outflows of cash and cash equivalents. Cash flows exclude movements between items that constitute cash or cash equivalents because these components are part of the cash management of an agency rather than part of its operating, investing and financing activities. |
| AASB 107.6 | AASB 107 defines cash as cash on hand and demand deposits. Cash on hand refers to notes and coins held on premises and demand deposits are deposits held at call with a financial institution. |
| AASB 107.6 | Cash equivalents are highly liquid investments with short periods to maturity, and are subject to an insignificant risk of changes in value. |
| AASB 107.6 | Operating activities are the principal revenue-producing activities of an agency and other activities that are not investing or financing activities. |
| AASB 107.6 | Investing activities are the acquisition and disposal of long-term assets, and other investments not included in cash equivalents. |
| AASB 107.6 | Financing activities are activities that relate to changes in the size and composition of the contributed capital (accumulated funds) and borrowings of the agency. |
|  | Bank Overdraft |
| AASB 107.8 | Where a bank overdraft is repayable on demand and therefore forms an integral part of an agency’s cash management, these overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Where a bank overdraft is not repayable on demand, it would be treated as a cash flow from financing activities. |
|  | Different Cash Flows in One Transaction |
| AASB 107.12 | A single transaction may include cash flows that are classified differently. For example, when the cash repayment of a loan includes both an interest element and a capital element, the interest element may be classified as operating and the capital element as financing. |
|  | Goods and Services Tax (GST) |
| Interpretation 1031.10 | Cash flows relating to the GST must be included in the Statement of Cash Flows on a gross basis. |
| Interpretation 1031.11 | The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority must be classified as operating cash flows. |
|  | Interest in a Joint Venture |
| AASB 107.38 | Where applicable, an agency shall include the following cash flows, relating to a Joint Venture, in its Statement of Cash Flows:   * its investment in the Joint Venture; * distributions from the Joint Venture; and * other payments or receipts between it and the Joint Venture. |

|  |  |
| --- | --- |
| **Reference** | **Commentary Statement of Cash Flows – Continued** |
|  | Materiality and Aggregation |
| AASB 101.30A | Agencies need to consider the Materiality Guidance for Financial Statements Simplification under Section 1.2 Materiality Guidance. An agency should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the Statement of Cash Flows, which includes the notes. It must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. |
|  | **Leases** |
| AASB 16.50(a)  AASB 16.50(b | If an agency is a lessee, they are required to classify cash payments for the principal portion of the lease liability within financing activities. Cash payments for the interest portion of lease liability are classified as operating activities. |
| AASB 16.50(c) | Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified within operating activities. |
| AASB 107.43  AASB 107.44 | Non-cash investing and financing transactions (e.g. the initial recognition of the lease at commencement) should be excluded from the statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities. |
|  | **Territory Authority Commentary** |
| AASB 107.14 (a) | In some cases it may be more appropriate to disclose different receipts and payments classes as needed on the Statement of Cash Flows. For example, payments related to Cost of Goods Sold may be more appropriate to territory authorities. |
| AASB 107.14 (f) | Territory authorities will most likely need to include a payment line relating to GST remitted to the ATO. Where payments are greater than any refunds for any given year, the line *Goods and Services Tax Remitted to the ATO* should replace the line *Goods and Services Tax Input Tax Credits from the Australian Taxation Office*. In most cases, an authority would have either a ‘*Goods and Services Tax Input Tax Credits from the Australian Taxation Office*’ line or a ‘*Goods and Services Tax Remitted to the Australian Taxation Office’* depending on whether the authority generally is in a refund or payment situation with the ATO. If refunds are greater one year and payments are greater the next (or vice versa) both lines will be required. |
|  | *Classification of Income Tax Cash Flows* |
| AASB 107.35 | Where an authority has to pay income tax (because of the National Tax Equivalents Regime), cash flows relating to income taxes shall be disclosed separately and classified as operating activities. |

**‘Burley Griffin Agency’**

**Statement of Appropriation**

**For the Year Ended 30 June 2022**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Reference** | **Description and Material Accounting Policies relating to Controlled Recurrent Payments** | | | | | |
|  | Controlled Recurrent Payments (CRP) are revenue received from the ACT Government to fund the costs of delivering outputs. Community Service Obligations (CSO) are received by the ‘Burley Griffin Agency’ for the provision of waste management services to the public at subsidised rates. | | | | | |
| AASB 1058.10 | CRP and CSO are recognised when the Agency gains control over the funding which is obtained upon the receipt of cash, given they do not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. | | | | | |
|  | Capital injection appropriations are not recognised as income, but instead are recognised as equity injections and a cash inflow which is used to purchase/build an asset(s) or to reduce a liability(s). | | | | | |
|  | **Column Heading Explanations**  The Original Budget column shows the amounts that appear in the Statement of Cash Flows in the Budget Papers. This amount also appears in the Statement of Cash Flows.  The Total Appropriated column is inclusive of all appropriation variations occurring after the Original Budget.  The Appropriation Drawn is the total amount of appropriation received by the Agency during the year. This amount appears in the Statement of Cash Flows. | | | | | |
|  |  |  |  |  |  |  |
|  |  |  | **Original**  **Budget**  2022  **$’000** | **Total**  **Appropriated**  2022  **$’000** | **Appropriation**  **Drawn**  2022  **$’000** | **Appropriation**  **Drawn**  **2021**  **$’000** |
|  | **Controlled** |  |  |  |  |  |
| AASB 1004.64(a) AASB 1058.26 (c)  AASB 1059.39 | Controlled Recurrent Payments |  |  |  |  |  |
| ACT Disclosure Policy | Community Service Obligations |  |  |  |  |  |
| AASB 1004.64(a), 48 | Capital Injections |  |  |  |  |  |
| AASB 1059.39 | **Total Controlled Appropriation** |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | The above Statement of Appropriation is to be read in conjunction with the accompanying notes. | | | | | |
|  |  | | | | | |
|  | **Variances between ‘2021-22 Controlled Recurrent Payments Appropriation Drawn’ and ‘2020-21 Controlled Recurrent Payments Appropriation Drawn’** | | | | | |
|  | The increase in CRP was due to the transfer of the Heritage and Environment function from ABC Directorate to ‘Burley Griffin Agency’. Please refer to Note 30 *Restructure of Administrative Arrangements* for further details. | | | | | |

**‘Burley Griffin Agency’**

**Statement of Appropriation – Continued**

**For the Year Ended 30 June 2022**

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | **Variances between ‘Original Budget’, ‘Total Appropriated’ and ‘Appropriation Drawn ‘** | | |
|  |  | **Controlled Recurrent Payments (CRP)** | **Capital Injections (CI)** |
|  | **Reconciliation of Appropriation for 2021-22** | **$’000** | **$’000** |
|  | Original Appropriation |  |  |
|  | Supplementary Appropriation (Financial Management Act(FMA) s.13) |  |  |
|  | Transfer of Appropriation from CRP to Expenses on Behalf of the Territory (EBT) (FMA s.14) |  |  |
|  | Transfer of Appropriation from CI to CRP (FMA s.14A) |  |  |
|  | Transfer of Appropriation from EBT to CRP (FMA s.15A) |  |  |
|  | Administrative Arrangements Transfer (FMA s.16) [[1]](#footnote-2) |  |  |
|  | Appropriation for accrued employee entitlements (FMA s.16A) |  |  |
|  | Rollover of Undisbursed Appropriation (FMA s.16B) |  |  |
|  | Variation of appropriations for Commonwealth grants (FMA s.17) |  |  |
|  | Treasurer's Advance (FMA s.18) |  |  |
|  | **Total Appropriated** |  |  |
|  | Budget Rollovers [[2]](#footnote-3) |  |  |
|  | **Controlled Appropriation Drawn** |  |  |
|  |  |  |  |
|  |  | | |
|  | 1. The difference between the Original Budget and the Total Appropriated is mainly due to an Administrative Arrangement that occurred on 7 January 2022, where the Agency gained the Heritage and Environment Division from the ABC Directorate.  The heritage function is responsible for the development of heritage policy as well as the maintenance of a number of large heritage assets.  The environment function is responsible for the development of policy frameworks and providing advice on the management and protection of the environment. For further details see Note 30 *Restructure of Administrative Arrangements*. | | |
|  | 2. The difference between the Total Appropriated and the Appropriation Drawn down is largely due to design delays associated with a major project scheduled to commence in 2022. Appropriation was not drawn down for this project and has been rolled over to the following reporting period. ‘Project X’ ($xxx) was due to start in February 2022, however, it is expected that it will not commence until August 2022. This project has both recurrent and capital injection elements. | | |

|  |  |
| --- | --- |
| **Reference** | **Commentary − Statement of Appropriation** |
| FMA Section 6 | No payment of public money can be made other than in accordance with an appropriation. Appropriation reconciliations are reconciliations of cash flow. |
| FMA Section 8 | An Appropriation Act must make separate appropriations in relation to each Directorate for:   * any controlled recurrent payments to be provided to the Directorate; and * any capital injection to be provided to the Directorate. |
| FMA Section 37A | If an agency receives an amount of appropriation that is excess to its requirements, it may repay the excess amount, or part of the excess amount, to the Territory Banking Account. The appropriation from which the excess amount was paid to the agency is restored by the amount it repaid to the Territory Banking Account. The balance of the appropriation, including the amount repaid, may be applied for the purposes for which it was appropriated. |
|  | Agencies should disclose appropriation amounts returned (if any) in a footnote to the ‘Appropriation Drawn’ in the Statement of Appropriation. |
| AASB 1058.39 | The following must be disclosed by a government directorate or other public sector entity that obtains part or all of their spending authority from an ACT Government appropriation:   * a summary of the major categories of appropriations, disclosing separately the original amounts appropriated for the reporting period and the total amounts appropriated for the reporting period; * the expenditures for the reporting period in respect of each of the above items; and * any reasons for material variances between the amounts appropriated or otherwise authorised and the associated expenditures for the reporting period. |
|  | A tabular presentation of the variance explanation should be used if it would assist understanding of the reasons for the variance. |
| ACT Disclosure Policy | Although CSO revenue is not separately identified in the Appropriation Act, CSO revenue is an identifiable sub-category of CRP revenue and is separately disclosed in the Statement of Appropriation. |
|  | **Territory Authority Commentary** |
| AASB 107.14 (a) | The *Financial Management Act 1996* (FMA) allows some territory authorities to receive CRP directly from the ACT Government. Territory authorities that receive CRP will need to include the Statement of Appropriation, as provided in the Model, in their Financial Statements. Authorities that do not receive CRP are therefore not required to include a Statement of Appropriation in their Financial Statements. |

**‘Burley Griffin Agency’**

Operating Statement for Output Class 1 – Management of Land

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Reference | Operating Statement for Output Class 1 – Management of Land | | | |
| AASB 1052.15(a) | Description  Output Class 1: ‘Management of Land’ includes the coordination of integrated land use, metropolitan planning, Land Act compliance, lease management services, land surveying, land sales and the management of land and infrastructure. | | | |
| FMA Section 27(3)(a) Financial Management (Periodic & Annual Financial Statements) Guidelines 2016  Section 7(2) |  | Actual  2022  $’000 | Original Budget  2022  $’000 | Actual  2021  $’000 |
| **Income** |  |  |  |
|  | *Revenue* |  |  |  |
| AASB 1052.15(d) | Controlled Recurrent Payments |  |  |  |
| AASB 1052.15(d) | Sales of Goods and Services from Contracts with Customers |  |  |  |
| AASB 1052.15(d) | Grants and Contributions Revenue |  |  |  |
| AASB 1052.15(d) | Investment Revenue |  |  |  |
| AASB 1052.15(d) | Interest Revenue |  |  |  |
| AASB 1052.15(d) | Other Revenue |  |  |  |
|  | *Total Revenue* |  |  |  |
|  | *Gains* |  |  |  |
| AASB 1052.15(d) | Gains from Disposal, Derecognition and Remeasurement of Assets |  |  |  |
| AASB 1052.15(d) | Other Gains |  |  |  |
|  | *Total Gains* |  |  |  |
|  | **Total Income** |  |  |  |
|  |  |  |  |  |
|  | **Expenses** |  |  |  |
| AASB 1052.15(c) | Employee Expenses |  |  |  |
| AASB 1052.15(c) | Superannuation Expenses |  |  |  |
| AASB 1052.15(c) | Supplies and Services |  |  |  |
| AASB 1052.15(c) | Depreciation and Amortisation |  |  |  |
| AASB 1052.15(c) | Grants and Purchased Services |  |  |  |
| AASB 1052.15(c) | Cost of Goods Sold and Distributed |  |  |  |
| AASB 1052.15(c) | Borrowing Costs |  |  |  |
| AASB 1052.15(c) | Other Expenses |  |  |  |
|  | **Total Expenses** |  |  |  |
|  | Share of Operating Profit from Joint Venture accounted for using the Equity Method |  |  |  |
|  | **Operating Result** |  |  |  |
|  |  |  |  |  |
| AASB 1052.15(d) | Income from Government Sources | | | |

**‘Burley Griffin Agency’**

Operating Statement for Output Class 2 – Municipal Services and Transportation

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Reference | Operating Statement for Output Class 2 – Municipal Services and Transportation | | | |
| AASB 1052.15(a) | Description  Output Class 2: ‘Municipal Services and Transportation’ includes:   * policy advice on industry and regulatory reform, specifically implementing reforms in the energy and water industries, policy development for workplace safety, whole of government purchasing policy advice and workers’ compensation; * infrastructure construction and maintenance of roads, bridges, stormwater drains, footpaths, signs, barriers, bollards and streetlights; * transportation services provided by buses and light rail; * issuing of driver’s licences and motor vehicle registration as well as traffic and parking fines; * waste and recycling including waste management advice, services and development control measures; and * procurement services including on-line procurement services, business opportunity notifications and information on tenders and contracts. | | | |
| FMA Section 27(3)(a)  Financial Management (Periodic & Annual Financial Statements) Guidelines 2016  Section 7(2) |  | Actual  2022  $’000 | Original Budget  2022  $’000 | Actual  2021  $’000 |
| **Income** |  |  |  |
|  | *Revenue* |  |  |  |
| AASB 1052.15(d) | Controlled Recurrent Payments |  |  |  |
|  | Sales of Goods and Services from Contracts with Customers |  |  |  |
| AASB 1052.15(d) | Grants and Contributions Revenue |  |  |  |
| AASB 1052.15(d) | Investment Revenue |  |  |  |
| AASB 1052.15(d) | Interest Revenue |  |  |  |
| AASB 1052.15(d) | Other Revenue |  |  |  |
|  | *Total Revenue* |  |  |  |
|  |  |  |  |  |
|  | *Gains* |  |  |  |
| AASB 1052.15(d) | Gains from Disposal, Derecognition and Remeasurement of Assets |  |  |  |
| AASB 1052.15(d) | Other Gains |  |  |  |
|  | *Total Gains* |  |  |  |
|  | **Total Income** |  |  |  |
|  |  |  |  |  |
|  | **Expenses** |  |  |  |
| AASB 1052.15(c) | Employee Expenses |  |  |  |
| AASB 1052.15(c) | Superannuation Expenses |  |  |  |
| AASB 1052.15(c) | Supplies and Services |  |  |  |
| AASB 1052.15(c) | Depreciation and Amortisation |  |  |  |
| AASB 1052.15(c) | Grants and Purchased Services |  |  |  |
| AASB 1052.15(c) | Borrowing Costs |  |  |  |
| AASB 1052.15(c) | Other Expenses |  |  |  |
|  | **Total Expenses** |  |  |  |
|  | **Operating Result** |  |  |  |
|  |  |  |  |  |
| AASB 1052.15(d) | Income from Government Sources |  |  |  |

**‘Burley Griffin Agency’**

Operating Statement for Output Class 3 – Environment and Heritage

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Reference | **Operating Statement for Output Class 3 – Environment and Heritage** | | | |
|  | Description | | | |
| AASB 1052.15(a) | Output Class 3: ‘Environment and Heritage’ includes the sustainable management of natural and cultural resources and the conduct of ecological surveys and the provision of scientific advice for policy development. It also includes the management of designated heritage resources, administration of heritage legislation and the provision of grants to heritage related programs. | | | |
| FMA Section 27(3)(a) Financial Management (Periodic & Annual Financial Statements) Guidelines 2016  Section 7(2) |  | Actual  2022  $’000 | Original Budget  2022  $’000 | Actual  2021  $’000 |
| **Income** |  |  |  |
|  | *Revenue* |  |  |  |
| AASB 1052.15(d) | Controlled Recurrent Payments |  |  |  |
| AASB 1052.15(d) | Sales of Goods and Services from Contracts with Customers |  |  |  |
| AASB 1052.15(d) | Grants and Contributions Revenue |  |  |  |
| AASB 1052.15(d) | Investment Revenue |  |  |  |
| AASB 1052.15(d) | Interest Revenue |  |  |  |
| AASB 1052.15(d) | Other Revenue |  |  |  |
|  | *Total Revenue* |  |  |  |
|  |  |  |  |  |
|  | *Gains* |  |  |  |
| AASB 1052.15(d) | Gains from Disposal, Derecognition and Remeasurement of Assets |  |  |  |
| AASB 1052.15(d) | Other Gains |  |  |  |
|  | *Total Gains* |  |  |  |
|  | **Total Income** |  |  |  |
|  |  |  |  |  |
|  | **Expenses** |  |  |  |
| AASB 1052.15(c) | Employee Expenses |  |  |  |
| AASB 1052.15(c) | Superannuation Expenses |  |  |  |
| AASB 1052.15(c) | Supplies and Services |  |  |  |
| AASB 1052.15(c) | Depreciation and Amortisation |  |  |  |
| AASB 1052.15(c) | Grants and Purchased Services |  |  |  |
| AASB 1052.15(c) | Cost of Goods Sold and Distributed |  |  |  |
| AASB 1052.15(c) | Borrowing Costs |  |  |  |
| AASB 1052.15(c) | Other Expenses |  |  |  |
|  | **Total Expenses** |  |  |  |
|  | **Operating Result** |  |  |  |
|  |  |  |  |  |
|  | Income from Government Sources | | | |

**‘Burley Griffin** **Agency’**

Operating Statement for Output Class 4 – Courts and Tribunals

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Reference | **Operating Statement for Output Class 4 – Courts and Tribunals** | | | |
| AASB 1052.15(a)  FMA Section 27(3)(a) Financial Management (Periodic & Annual Financial Statements) Guidelines 2016  Section 7(2) | Description  Output Class 4: ‘Courts and Tribunals’ includes high quality support to judicial officers and tribunal members in the ACT Courts and Tribunal, and high quality services to the public using the courts and the tribunal. | | | |
|  | Actual  2022  $’000 | Original Budget  2022  $’000 | Actual  2021  $’000 |
| **Income** |  |  |  |
|  | *Revenue* |  |  |  |
| AASB 1052.15(d) | Controlled Recurrent Payments |  |  |  |
| AASB 1052.15(d) | Grants and Contributions Revenue |  |  |  |
| AASB 1052.15(d) | Other Revenue |  |  |  |
|  | *Total Revenue* |  |  |  |
|  |  |  |  |  |
|  | *Gains* |  |  |  |
| AASB 1052.15(d) | Gains from Disposal, Derecognition and Remeasurement of Assets |  |  |  |
| AASB 1052.15(d) | Other Gains |  |  |  |
|  | *Total Gains* |  |  |  |
|  |  |  |  |  |
|  | **Total Income** |  |  |  |
|  |  |  |  |  |
|  | **Expenses** |  |  |  |
| AASB 1052.15(c) | Employee Expenses |  |  |  |
| AASB 1052.15(c) | Superannuation Expenses |  |  |  |
| AASB 1052.15(c) | Supplies and Services |  |  |  |
| AASB 1052.15(c) | Depreciation and Amortisation |  |  |  |
| AASB 1052.15(c) | Grants and Purchased Services |  |  |  |
| AASB 1052.15(c) | Borrowing Costs |  |  |  |
| AASB 1052.15(c) | Other Expenses |  |  |  |
|  | **Total Expenses** |  |  |  |
|  | **Operating Result** |  |  |  |
|  |  |  |  |  |
| AASB 1052.15(d) | Income from Government Sources | | | |
|  |  | | | |
|  | **Commentary − Operating Statement for Each Output Class** | | | |
|  | **Summary of Agency Output Classes** | | | |
|  | For agencies that have multiple output classes and have intra agency eliminations between those output classes then those agencies can chose to include a Summary of Agency Output Classes in their Financial Statements. | | | |
|  | **Format** | | | |
| FMA Section 27(3)(a)  Financial Management (Periodic & Annual Financial Statements) Guidelines 2016 Section 7(2) | The *Financial Management Act 1996* (FMA) states that the *Financial Management (Periodic and Annual Financial Statements) Guidelines 2016* must be complied with, when preparing annual financial statements. These guidelines require the financial statements include an Operating Statement for each class of output provided by the agency during the year. However the guidelines specifically exclude other comprehensive income from being included in the Operating Statement for each class of output. | | | |

|  |  |
| --- | --- |
| **Reference** | **Commentary − Operating Statement for Each Output Class – Continued** |
| AASB 1052.15 | In addition to the FMA, AASB 1052 *Disaggregated Disclosures* requires the following disclosures to be provided in the financial statements of a Government Directorate:   * in summarised form, the identity and purpose of each major activity undertaken by the Government Directorate during the reporting period; * income reliably attributable to each of the major activities, showing separately user charges, income from government and other income by major class of income; and * expenses reliably attributable to each of the major activities, showing separately each major class of expense. |
|  | If an agency has no amounts applicable to any line item, the item should not be included in the Output Class Operating Statement. |
|  | The output class names and descriptions used in the Operating Statement for each Output Class are examples only that need to be tailored to the agency. |
|  | **Definitions** |
| FMA, Dictionary  AASB 1052 | For FMA purposes, ‘outputs’ are defined as goods produced or services provided by a directorate or territory authority or a person producing goods or providing services on behalf of a directorate or territory authority. ‘Class of outputs’ are defined as a group of related outputs. For the purposes of AASB 1052, major activities of a directorate have been defined as ‘output classes’. |
|  | **Budget** |
| FMA Section 27(2) | The budget numbers appearing in the output class operating statements are those numbers published in the 2021-22 Budget Papers. For Territory Authorities budget numbers appearing in the Output Class Operating Statements are based on the authority’s Statement of Intent. |
|  | **One Output Class** |
|  | Where an agency only has one output class, a separate operating statement for that output class and the ‘Summary of Agency Output Classes’ is not required to be included in an agency’s financial statements. However, where this is the case, an agency must disclose:   * the title of the output class; * a description of the output class; and * the fact that there is not an additional Output Class Operating Statement or a Summary of Agency Output Classes. |
|  | Example wording an agency may use at the bottom of its operating statement, is as follows:  *‘*Burley Griffin Agency’ only has one output class and as such the above Operating Statement is also the Agency’s Operating Statement for the [Name of Output Class] Output Class. The [Name of Output Class] Output Class includes [Description of Output Class.] As a result, a separate output class Operating Statement and Summary of Agency Output Classes has not been included in these financial statements*.* |
|  | **Territory Authority Commentary** |
| Financial Management (Territory Authorities prescribed for Outputs) Guidelines 2020 (No 2020). Disallowable instrument 2020-183 | Only territory authorities that are ‘prescribed’ territory authorities (PTA) receiving Controlled Recurrent Payments are required to report on output classes. A ‘Summary of Output Classes’ statement and an Operating Statement for each territory authority output class must be disclosed in a territory authority’s financial statements, where relevant. Prescribed territory authorities are:   * ACT Gambling and Racing Commission; * Canberra Institute of Technology; * Cultural Facilities Corporation; * Legal Aid Commission (ACT); and * Office of the Work Health and Safety Commissioner (to be known as WorkSafe ACT). |
|  | All other territory authorities are not required to report this information. |
| FMA Section 63(2) | AASB 1052 applies to government department (i.e. ACT directorate) disclosures, which are not relevant to territory authorities. |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference** | Disaggregated Disclosure of Assets and Liabilities [Directorates Only] | | | | | | | | | | | | | | |
| ACT Disclosure Policy | Year Ended 30 June 2022 | | | | | | | | | | | | | | |
| AASB 1052.16 |  | | **Output Class 1** | | **Output Class 2** | | **Output Class 3** | | **Output Class 4** | | **Unallocated** | | **Total** | | |
|  |  | | **$’000** | | **$’000** | | **$’000** | | **$’000** | | **$’000** | | **$’000** | | |
|  | **Current Assets** | |  | |  | |  | |  | |  | |  | | |
|  | Cash and Cash Equivalentsa | |  | |  | |  | |  | |  | |  | | |
|  | Investmentsb | |  | |  | |  | |  | |  | |  | | |
|  | Receivables | |  | |  | |  | |  | |  | |  | | |
|  | Contract Assets | |  | |  | |  | |  | |  | |  | | |
|  | Inventories | |  | |  | |  | |  | |  | |  | | |
|  | Non-Current Assets Held for Sale | |  | |  | |  | |  | |  | |  | | |
|  | Other Assets | |  | |  | |  | |  | |  | |  | | |
|  | **Total Current Assets** | |  | |  | |  | |  | |  | |  | | |
|  |  | |  | |  | |  | |  | |  | |  | | |
|  | **Non-Current Assets** | |  | |  | |  | |  | |  | |  | | |
|  | Investments | |  | |  | |  | |  | |  | |  | | |
|  | Receivables | |  | |  | |  | |  | |  | |  | | |
|  | Contract Assets | |  | |  | |  | |  | |  | |  | | |
|  | Inventories | |  | |  | |  | |  | |  | |  | | |
|  | Investment – Joint Venture | |  | |  | |  | |  | |  | |  | | |
|  | Property, Plant and Equipment | |  | |  | |  | |  | |  | |  | | |
|  | Investment Properties | |  | |  | |  | |  | |  | |  | | |
|  | Intangible Assets | |  | |  | |  | |  | |  | |  | | |
|  | Capital Works in Progress | |  | |  | |  | |  | |  | |  | | |
|  | Other Assets | |  | |  | |  | |  | |  | |  | | |
|  | **Total Non-Current Assets** | |  | |  | |  | |  | |  | |  | | |
|  |  | |  | |  | |  | |  | |  | |  | | |
|  | **Total Assets** | |  | |  | |  | |  | |  | |  | | |
|  |  | |  | |  | |  | |  | |  | |  | | |
|  | **Current Liabilities** | |  | |  | |  | |  | |  | |  | | |
|  | Payables | |  | |  | |  | |  | |  | |  | | |
|  | Contract Liabilities | |  | |  | |  | |  | |  | |  | | |
|  | Borrowings | |  | |  | |  | |  | |  | |  | | |
|  | Lease Liabilities | |  | |  | |  | |  | |  | |  | | |
|  | Employee Benefits | |  | |  | |  | |  | |  | |  | | |
|  | Other Provisions | |  | |  | |  | |  | |  | |  | | |
|  | Other Liabilities | |  | |  | |  | |  | |  | |  | | |
|  | **Total Current Liabilities** | |  | |  | |  | |  | |  | |  | | |
|  |  | |  | |  | |  | |  | |  | |  | | |
|  | **Non-Current Liabilities** | |  | |  | |  | |  | |  | |  | | |
|  | Payables | |  | |  | |  | |  | |  | |  | | |
|  | Contract Liabilities | |  | |  | |  | |  | |  | |  | | |
|  | Borrowings | |  | |  | |  | |  | |  | |  | | |
|  | Lease Liabilities | |  | |  | |  | |  | |  | |  | | |
|  | Employee Benefits | |  | |  | |  | |  | |  | |  | | |
|  | Other Provisions | |  | |  | |  | |  | |  | |  | | |
|  | Other Liabilities | |  | |  | |  | |  | |  | |  | | |
|  | **Total Non-Current Liabilities** | |  | |  | |  | |  | |  | |  | | |
|  |  | |  | |  | |  | |  | |  | |  | | |
|  | **Total Liabilities** | |  | |  | |  | |  | |  | |  | | |
|  |  | |  | |  | |  | |  | |  | |  | | |
|  | **Net Assets** | |  | |  | |  | |  | |  | |  | | |
| **Reference** | **Disaggregated Disclosure of Assets and Liabilities [Directorates Only] – Continued** | | | | | | | | | | | | |
| AASB 1052.16 | Year Ended 30 June 2021 | | | | | | | | | | | | |
|  |  | **Output Class 1** | | **Output Class 2** | | **Output Class 3** | | **Output Class 4** | | **Unallocated** | | **Total** | |
|  |  | **$’000** | | **$’000** | | **$’000** | | **$’000** | | **$’000** | | **$’000** | |
|  | **Current Assets** |  | |  | |  | |  | |  | |  | |
|  | Cash and Cash Equivalentsa |  | |  | |  | |  | |  | |  | |
|  | Investmentsb |  | |  | |  | |  | |  | |  | |
|  | Receivables |  | |  | |  | |  | |  | |  | |
|  | Contract Assets |  | |  | |  | |  | |  | |  | |
|  | Inventories |  | |  | |  | |  | |  | |  | |
|  | Assets Held for Sale |  | |  | |  | |  | |  | |  | |
|  | Other Assets |  | |  | |  | |  | |  | |  | |
|  | **Total Current Assets** |  | |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |  | |
|  | **Non-Current Assets** |  | |  | |  | |  | |  | |  | |
|  | Investments |  | |  | |  | |  | |  | |  | |
|  | Receivables |  | |  | |  | |  | |  | |  | |
|  | Contract Assets |  | |  | |  | |  | |  | |  | |
|  | Inventories |  | |  | |  | |  | |  | |  | |
|  | Investment – Joint Venture |  | |  | |  | |  | |  | |  | |
|  | Property, Plant and Equipment |  | |  | |  | |  | |  | |  | |
|  | Investment Properties |  | |  | |  | |  | |  | |  | |
|  | Intangible Assets |  | |  | |  | |  | |  | |  | |
|  | Capital Works in Progress |  | |  | |  | |  | |  | |  | |
|  | Other Assets |  | |  | |  | |  | |  | |  | |
|  | **Total Non-Current Assets** |  | |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |  | |
|  | **Total Assets** |  | |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |  | |
|  | **Current Liabilities** |  | |  | |  | |  | |  | |  | |
|  | Payables |  | |  | |  | |  | |  | |  | |
|  | Contract Liabilities |  | |  | |  | |  | |  | |  | |
|  | Borrowings |  | |  | |  | |  | |  | |  | |
|  | Lease Liabilities |  | |  | |  | |  | |  | |  | |
|  | Employee Benefits |  | |  | |  | |  | |  | |  | |
|  | Other Provisions |  | |  | |  | |  | |  | |  | |
|  | Other Liabilities |  | |  | |  | |  | |  | |  | |
|  | **Total Current Liabilities** |  | |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |  | |
|  | **Non-Current Liabilities** |  | |  | |  | |  | |  | |  | |
|  | Payables |  | |  | |  | |  | |  | |  | |
|  | Contract Liabilities |  | |  | |  | |  | |  | |  | |
|  | Borrowings |  | |  | |  | |  | |  | |  | |
|  | Lease Liabilities |  | |  | |  | |  | |  | |  | |
|  | Employee Benefits |  | |  | |  | |  | |  | |  | |
|  | Other Provisions |  | |  | |  | |  | |  | |  | |
|  | Other Liabilities |  | |  | |  | |  | |  | |  | |
|  | **Total Non-Current Liabilities** |  | |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |  | |
|  | **Total Liabilities** |  | |  | |  | |  | |  | |  | |
|  |  |  | |  | |  | |  | |  | |  | |
|  | **Net Assets** |  | |  | |  | |  | |  | |  | |
| **Reference** | **Disaggregated Disclosure of Assets and Liabilities [Directorates Only] – Continued** | | | | | | | | | | | | | |
|  | 1. Unallocated Cash and Cash Equivalents | | | | | | | | | | | | | |
|  | Cash and cash equivalents have been included in the ‘Unallocated’ column above, as this class cannot be ‘reliably attributed’ to the Directorate’s output classes. As the amount of cash and cash equivalents held by the Directorate is comprised of a number of disparate components, no single allocation driver can be used to ‘reliably attribute’ this asset class. The components are as follows:   * working capital which is not held for any specific output class but is instead held for unforeseen operational expenditures; * cash held for unpresented cheques. There is no correlation between output class expenditure and actual cheques which are unpresented at any given point in time. Also, a single unpresented cheque could relate to multiple output classes; * cash held for a specific purpose; and * cash held in anticipation of an imminent payment. | | | | | | | | | | | | | |
|  | 1. Unallocated Investments | | | | | | | | | | | | | |
|  | Investments with the Territory Banking Account cannot be ‘reliably attributed’ to the Directorate’s output classes. | | | | | | | | | | | | | |
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|  | **Commentary − Disaggregated Disclosure of Assets and Liabilities [Directorates Only]** | | | | | | | | | | | | | |
|  | **One Output Class** | | | | | | | | | | | | | |
|  | Where a directorate only has one output class, this disaggregated disclosure note is not required to be included in the directorate’s financial statements. However, where this is the case, the directorate must disclose this fact at the bottom of its balance sheet. | | | | | | | | | | | | | |
|  | Example wording a Directorate may use at the bottom of its balance sheet, is as follows:  *‘Burley Griffin Agency’ only has one output class and as such the above Balance Sheet is also the Directorate’s Balance Sheet for the [Name of Output Class] Output Class. A separate disaggregated disclosure note has not been included in these financial statements.* | | | | | | | | | | | | | |
|  | **Reliably Attributable** | | | | | | | | | | | | | |
| AASB 1052.16  AASB 1052.19 | AASB 1052 *Disaggregated Disclosures* states that the financial statements of a government Department shall disclose the assets deployed and liabilities incurred that are ‘reliably attributable’ to each Department’s output class. However, AASB 1052 does not provide guidance on what assets or liabilities it generally considers to be ‘reliably attributable’ to a particular output class. It does state that it may not be possible to reliably attribute all assets and liabilities. | | | | | | | | | | | | | |
| ACT Disclosure Policy | ACT Disclosure Policy on Disaggregated Disclosures is that, in most cases, cash and cash equivalents cannot be reliably attributed to a Directorate’s output classes. Where this is the case, directorates do not have to allocate this to output classes.  The following asset and liability classes can be allocated:   * Property, Plant and Equipment; * Intangibles; * Capital Works in Progress; * Employee Benefits; and * Lease Liabilities. | | | | | | | | | | | | | |
|  | As such, directorates must allocate these asset classes to each of their output classes. | | | | | | | | | | | | | |
|  | For all other asset and liability classes, the ultimate decision regarding whether or not these classes can be reliably attributed to an appropriate output class rests with the directorate, and as such directorates will need to analyse their assets and liabilities to determine which classes can be reliably attributed. As directorates are to determine if an asset or liability class is ‘reliably attributable’, directorates should not base their allocations on the note above, as the allocation is an example only. | | | | | | | | | | | | | |

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| **Reference** | **Commentary − Disaggregated Disclosure of Assets and Liabilities [Directorates Only] – Continued** |
|  | **Explanation of Unallocated Amount** |
|  | Directorates should disclose the reason why cash and cash equivalents cannot be ‘reliably attributed’ and as such cannot be allocated to an output class. An example disclosure has been included in this note. A similar explanation will need to be included for a material asset or liability class that cannot be ‘reliably attributed’. However, a similar disclosure is not required for immaterial asset and liability classes which cannot be ‘reliably attributed’ to an output class. |
|  | **Disclosure of Comparative Information** |
| AASB 101.38  AASB 1052.15 | Comparative information must be disclosed in respect of the prior reporting period for all amounts reported in the financial statements, except where another Australian Accounting Standard permits or requires otherwise. AASB 1052 does not specifically address comparative figures for disaggregated disclosures but, as stated above, it only requires the allocation of asset and liability classes where they can be ‘reliably attributable’ to an output class. As such, directorates must include comparative figures for this disaggregated disclosure unless not ‘reliably attributable’. |
| AASB 101.42 | When it is impracticable to reclassify comparative amounts, a directorate 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. |

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| **Reference** | Note 1. Objectives of ‘Burley Griffin Agency’ |
| AASB 1054.8(b)  AASB 101.138(b)  AASB 1052.15(b) | The Agency is a not-for-profit ACT Government entity that aims to be innovative and that contributes to the long-term growth and liveability of Canberra. The Agency provides a wide range of services to the ACT community as well as exploring ways in which its service delivery can be improved. The services provided include municipal services, public transport, court and tribunal services, land sales, land information, procurement and property services, undertaking, promoting and coordinating the development and management of land and the provision and maintenance of major infrastructure such as roads, bridges, streetlights and stormwater drains. |
|  | The Agency provides policy advice to Government on land use planning and environmental impacts, urban infrastructure, strategic management of ACT land and property and municipal services. The Agency also collects a number of different taxes, licences, fees and fines for the ACT Government. |
|  | Commentary − Note 1: Objectives of ‘Burley Griffin Agency’ |
| AASB 1054.8(b) | An agency shall disclose in the notes to its financial statements whether, it is a for‑profit or not-for-profit entity. |
| AASB 1052.15(b) | Directorates are required to disclose their objectives if this information has not been disclosed elsewhere in the Annual Report. Territory authorities should also provide a note disclosing their objectives. |
| AASB 101.138(b)  Chief Minister’s Annual Report Directions | Agencies need to provide a description of the nature of the agency’s operations and its principal activities.  As the Chief Minister’s Annual Report Directions require details of the organisation and its major achievements to appear elsewhere within the Annual Report, Note 1 can be simplified and be more concise. The information required by the Directions includes details of the reporting entity and its organisational profile. |
|  | Note 2. Basis of Preparation of the Financial Statements |
|  | **Legislative Requirements** |
| AASB 101.10(e), FMA 27(1) & (3), FMA 63(1) & (3), Financial Management (Periodic & Annual Financial Statements) Guidelines 2016 | WORDING FOR DIRECTORATES [The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government directorates. The FMA and the *Financial Management Guidelines* issued under the Act, requires a directorate’s financial statements to include:   1. an Operating Statement for the year; 2. a Balance Sheet at the end of the year; 3. a Statement of Changes in Equity for the year; 4. a Statement of Cash Flows for the year; 5. a Statement of Appropriation for the year; 6. an Operating Statement for each class of output for the year (excluding Other Comprehensive Income); 7. the material accounting policies adopted for the year; and 8. other statements as necessary to fairly reflect the financial operations of the agency during the year and its financial position at the end of the year.] |
|  | WORDING FOR TERRITORY AUTHORITIES [The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government territory authorities. The FMA and the *Financial Management Guidelines* issued under the Act, requires a territory authority’s financial statements to include:   1. an Operating Statement for the year; 2. a Balance Sheet at the end of the year; 3. a Statement of Changes in Equity for the year; 4. a Statement of Cash Flows for the year; 5. a Statement of Appropriation for the year [where relevant]; 6. an Operating Statement for each class of output for the year (excluding Other Comprehensive Income) [where the Authority is a prescribed Territory Authority]; and 7. other statements as necessary to fairly reflect the financial operations of the agency during the year and its financial position at the end of the year.] |
| AASB 101.10(e), AASB 1054.7 & 9, FMA 27(2) & 63(2) | These general purpose financial statements have been prepared in accordance with:   1. Australian Accounting Standards (as required by the FMA); 2. International Financial Reporting Standards [Only relates to For-Profit Entities]; and 3. ACT Accounting and Disclosure Policies. |
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| **Reference** | Note 2. Basis of Preparation of the Financial Statements – Continued |
|  | **Accrual Accounting** |
| AASB 101.27, AASB 101.17(a) | The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to historical cost convention, except for non-current assets held for sale, property, plant and equipment and financial instruments which are valued at fair value in accordance with (re)valuation policies applicable to the Agency during the reporting period. |
|  | **Currency** |
| AASB 101.51(d) | These financial statements are presented in Australian dollars, which is the Agency’s functional currency. |
|  | **Individual Not-for-Profit Reporting Entity** |
| AASB 101.51(b), AASB 1054.8(b) | Example Agency is an individual not-for-profit reporting entity. |
|  | **Controlled and Territorial Items** |
|  | The Agency produces Controlled and Territorial financial statements. The Controlled financial statements include income, expenses, assets and liabilities over which the Agency has control. The Territorial financial statements include income, expenses, assets and liabilities that the Agency administers on behalf of the ACT Government, but does not control. |
|  | The purpose of the distinction between Controlled and Territorial is to enable an assessment of the Agency’s performance against the decisions it has made in relation to the resources it controls, while maintaining accountability for all resources under its responsibility. |
|  | The basis of preparation described applies to both Controlled and Territorial financial statements except where specified otherwise. |
|  | **Reporting Period** |
| AASB 101.51(c) | These financial statements state the financial performance, changes in equity and cash flows of the Agency for the year ended 30 June 2022 together with the financial position of the Agency as at 30 June 2022. |
|  | **Comparative Figures** |
|  | *Budget Figures* |
| FMA 27(2) & 63(2) | WORDING FOR DIRECTOTATES [To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2021-22 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers.]  WORDING FOR TERRITORY AUTHORITIES [To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2021-22 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Statement of Intent.] |
|  | *Prior Year Comparatives* |
| AASB 101.38 | Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed. |
| AASB 101.41 | Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided. |
| AASB 101.51(e) & 53 | *Rounding*  All amounts in the financial statements have been rounded to the nearest thousand dollars ($’000). Use of “‑” represents zero amounts or amounts rounded down to zero. |
|  | **Going Concern** |
| ACT Treasury Directorate Finance Memorandum 2006/11  AASB 101.25-26 | The 2021-22 financial statements have been prepared on a going concern basis as ‘Burley Griffin Agency’ has been funded in the ACT Government 2022-23 Budget and the Budget Papers include forward estimates for ‘Burley Griffin Agency’. |
|  | **COVID-19 Impact** |
|  | ‘Burley Griffin Agency’ has assessed the impact of the COVID-19 pandemic on its financial statements. From this assessment the Agency has concluded that COVID-19 has had a material impact on certain aspects of its operations. The Agency has received more funding for additional employees and capital projects. ‘Burley Griffin Agency’s’ own source revenue has been negatively impacted with the amount of public transport fare revenue much lower than pre pandemic levels. ‘Burley Griffin Agency’ has also waived amounts owing to it and has had an event which has occurred after balance date. All material COVID-19 disclosures are included in the note to which they relate.  The COVID-19 pandemic has also resulted in ‘Burley Griffin Agency’ not being able to collect as much traffic fine and parking fine territorial revenue when compared to pre pandemic levels. |
| **Reference** | Commentary − Note 2: Basis of Preparation of the Financial Statements |
|  | There are a number of general requirements in relation to the presentation and disclosure of financial statements. |
|  | AASB 101 *Presentation of Financial Statements* requires the following: |
|  | 1. financial statements should be presented on an annual basis. However, where an agency’s reporting period changes and where the financial period for the current or prior year covered in the financial statements is less, or more, than 12 months, the agency must disclose the reason for a period other than 12 months being used and that comparative amounts are not entirely comparable (AASB 101.36); and |
|  | 1. Presentation and classification of items is retained from one period to the next unless:    * + it is apparent, following a significant change in the nature of the operations of the agency, that another presentation or classification would be more appropriate (having regard to the requirement in AASB 108) (AASB 101.45 (a)); or      + a change in presentation or classification is required by Australian Accounting Standards (AASB 101.45 (b)). |
|  | ACT Disclosure Policy requires all agencies to use the English language and Australian currency in the presentation of their financial statements. |
|  | Amounts may be rounded to the nearest $1,000 in the financial statements, provided:   * rounding is applied consistently; and * the level of rounding is clearly indicated. |
|  | Rounding of amounts for financial statement purposes should not alter actual amounts in agencies’ financial systems. |
|  | Directorates and territory authorities must also prepare financial statements in a form that facilitates a comparison with the budget contained in the Budget Papers for directorates (section 27(2) of the FMA) and with the budget information contained in a Territory Authority’s Statement of Intent (section 63 (2) of the FMA) for authorities. |
| FMA 27(3)(c) & (d), FMA 63(3)(c) | The annual financial statements must include a statement of the accounting policies adopted by the agency and such other statements as are necessary to fairly reflect the financial operations of the agency during the year and its financial position at the end of the year. |
| AASB 101.10(e), AASB 101.17 | Material accounting policies must be presented in the notes to the financial statements. The material accounting policies must include the measurement basis used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements. |
| AASB 1054.7 & 9 | The notes must also include a statement that the financial statements are general-purpose financial statements and a statement as to whether the financial statements have been prepared in accordance with Australian Accounting Standards. |
| AASB 1054.8(a) & (b) | In addition to the above mandatory disclosure requirements, the commentary in the standards indicate that it may also be appropriate to indicate the relevant statutory and other requirements adopted in the preparation of the financial statements, such as compliance with the FMA. The notes should also disclose whether, for the purpose of preparing the financial statements, the agency is a for- profit or not-for-profit entity. |
| AASB 108.10 | Where there is no accounting standard or accounting interpretation, the disclosures should focus on explaining why the policy applied ensures that relevant and reliable information is presented in the financial statements. |
| Model Financial Statement 1.6 Application –ACT Disclosure Policy | Disclosures should only be included where the item is materially relevant to the Agency. |
| **Assets and Liabilities** |
| AASB 101.125, AASB 101.127 | All key assumptions concerning the future, that have a significant risk of causing material adjustments to carrying amounts of assets and liabilities within the next reporting period, must be disclosed. This disclosure will contain details of their nature and their carrying amounts as at the reporting date. The assumptions and other sources of estimation uncertainty disclosed in accordance with AASB 101.125 relate to the estimates that require management’s most difficult, subjective or complex judgements. |
|  | **Other Judgements and Estimates** |
|  | For other significant accounting judgements and estimates they will be specific to each agency. Where an agency has made a specific significant accounting judgement or estimate this must be disclosed. For example, the Superannuation Provision Account makes significant accounting estimates in relation to the superannuation liability**.** |
|  | **Going Concern** |
| AASB 101. 25-26 | When preparing financial statements, management shall make an assessment of the agency’s ability to continue as a going concern. The general presumption for government agencies is that they will continue to perform their current functions and activities. |
| **Reference** | Commentary − Note 2: Basis of Preparation of the Financial Statements – Continued |
|  | Where current assets and current liabilities are assessed by territorial authorities and territory owned corporations as part of a going concern analysis, dislcosure of the of the analysis should be included. |
|  | From time to time, the government may decide through an administrative arrangement change, or similar event, to move functions across agencies and/or create new agencies (or more rarely cease an agency’s activities or sell off an agency). Agencies should disclose where it is known they will cease to be a separate reporting entity, due to an administrative arrangement change, or similar event. An example disclosure would read “As a result of Administrative Arrangement 20X0 (No.1), notifiable instrument NI 20X0-XXX, announced on 30 May 20X0 ‘Burley Griffin Agency’ ceases as a separate reporting entity on 1 July 20XX”. ‘Burley Griffin Agency’s’ functions were transferred to ‘New Agency’. |
|  | **Statement of Compliance with International Financial Reporting Standards (IFRSs)** |
| AASB 101.16  AASB 101.Aus16.3 | For-profit authorities are required to make an explicit and unreserved statement of compliance with IFRS in the notes where their financial statements comply with IFRSs. Compliance with Australian Accounting Standards by for- profit agencies will not necessarily lead to compliance with IFRSs. |
|  | Note 3. Impact of Accounting Standards Issued But Yet to Be Applied |
| AASB 101.10(e) | The information below applies to both the Controlled and Territorial financial statements. |
|  | All Australian Accounting Standards and Interpretations issued but yet to be applied are either not relevant to ‘Burley Griffin Agency’ or have been assessed as having an immaterial financial impact on ‘Burley Griffin Agency’. |
| AASB 108.30 & 31 | These standards and interpretations are applicable to future reporting periods. ‘Burley Griffin Agency’ does not intend to adopt these standards and interpretations early, with the exception of the change to AASB 101 resulting from AASB 2021/2 *Amendments to Australian Accounting Standards – Disclosure to Accounting Policies and Definitions of Accounting Policies and Definition of Accounting Estimates*. This change requires the Agency to disclose its material accounting policy information rather than its significant accounting policies. For all other Australian Accounting Standards issued by yet to be applied, they will be adopted from their application date. |
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|  | Commentary – Note 3: Impact of Accounting Standards Issued but yet to be Applied |
|  | The above example disclosure and this associated commentary is to assist agencies to make the necessary disclosures in their financial statements. Agencies should make their own assessment on the impact and relevance of the standards, bearing in mind that they should only disclose those standards and amending standards that are expected to have a material impact on them or where they have not yet assessed their impact. |
|  | There are no ‘Standards Issued but Yet to be Applied’ listed in the disclosure above, as it is considered that none of these standards will be applicable to most agencies, or if applicable, will not have a material financial effect. These standards have not been disclosed because agencies do not have to include standards that would never apply to them (e.g. AASB 129 *Financial Reporting in Hyperinflationary Economies*) or that do not have a material financial impact on them. As such, most agencies will be able to simply use the disclosure wording included in this note for their own financial statements. |
|  | It is recommended that agencies review all the standards issued but yet to be applied to ensure these standards do not apply to them or they do not have a material financial impact. |

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| Reference | | Note 4. Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error |
| AASB 101.10(e) | | **Change in Accounting Policy** |
|  | | ‘Burley Griffin Agency’ has early adopted changes to AASB 101 resulting from AASB 2021/2 *Amendments to Australian Accounting Standards – Disclosure to Accounting Policies and Definitions of Accounting Policies and Definition of Accounting Estimates.* References are now to ‘material’ accounting policies rather than ‘significant’ accounting policies in these financial statements. |
|  | | **Change in Accounting Estimates** |
|  | | ‘Burley Griffin Agency’ had the following changes in accounting estimates during the reporting period. |
|  | | *Revisions of Useful Lives and Residual Values* |
| AASB 108.34 & 39 | | ‘Burley Griffin Agency’ reviewed the useful lives and residual values of its property, plant and equipment at the end of the reporting period. This review resulted in the adjustment to the useful lives of some community and heritage assets and the increase of the residual value of some plant and equipment, for details see Note 19 *Property, Plant and Equipment.* |
|  | | *Revision of Restructuring Provision* |
|  | | ‘Burley Griffin Agency’ reviewed its provision for the restructuring of a maintenance division at the end of the reporting period. It was determined that the initial amount estimated for the dismantling and disposing of plant and equipment was overstated and as such has been reduced, for details see Note 28 *Other Provisions.* |
|  | | **Correction of Prior Period Errors** |
|  | An example disclosure for a correction of a prior period error is contained in the *Accounting Disclosure Paper –* *Presenting Restatements of Comparatives*. This a separate supplementary paper to this Model. | |
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|  | | Commentary – Note 4: Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error | |
|  | | **Change in Accounting Policy** | |
|  | | For information concerning the treatment and disclosure of a Change in Accounting Policy please refer to the *Accounting Disclosure Paper –* *Presenting Restatements of Comparatives*. | |
|  | | Only affected line items are included in the Operating Statement and Balance Sheet table. | |
|  | | If the impact on the Statement of Cash Flows is material, then a table showing the changes (similar to the operating statement and the balance sheet) should be included. | |
| AASB 108.36 | | **Change in Accounting Estimate**  The effect of a change in an accounting estimate shall be recognised prospectively in the Operating Statement in:   * the period of the change, if the change affects that period only; or * the period of the change and future periods, if the change affects both. | |
| AASB 108.37 | | 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. | |
| AASB 108.39, AASB 108.40 | | Agencies are required to disclose the nature and amount of a change in an accounting estimate that has an effect in the current reporting period or is expected to have an effect in future reporting periods, except for the disclosure of the effect on future reporting periods when it is impracticable to estimate that effect. If the amount of the effect in future periods is not disclosed because estimating it is impracticable, that fact shall be disclosed. | |

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| Reference | Commentary – Note 4: Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error – Continued | |
|  | For property, plant and equipment, disclosure of a change in an accounting estimate may arise from changes in estimates with respect to:   * residual values; * the estimated costs of dismantling, removing or restoring items of property, plant and equipment; * useful lives; and * depreciation methods. | |
|  | For further information concerning the treatment and disclosure of a Change in Accounting Estimate please refer to the *Accounting Disclosure Paper –* *Presenting Restatements of Comparatives.* | |
|  | **Correction of Prior Period Errors** | |
|  | For information concerning the treatment and disclosure of a correction of a prior period error, please refer to the *Accounting Disclosure Paper - Presenting Restatements of Comparatives* | |
|  | **Modification** | |
|  | Agencies should modify this note to their particular requirements. For example, if an agency only has a change in accounting policy and no corrections of errors or change in accounting estimates, then only the section on changes in accounting policy is required. The note title should only reflect what the note contains. | |
|  | In the event that an agency has none of these items to report, then the note should be omitted in its entirety. | |
|  | Income Notes |
|  | Material Accounting Policies – Income |
|  | Income Recognition |
|  | The following material accounting policies relate to each income note unless stated otherwise in the individual note. |
|  | Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* 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 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 Agency 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 Agency 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.  Where a service concession unearned revenue liability is recognised, revenue will be recognised as the liability unwinds. |

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| **Reference** | **Commentary – Income Notes** |
|  | An agency shall disaggregate revenue recognised under AASB 15 and AASB 1058 into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. |
|  | A not-for-profit agency shall assess which revenue standard is applicable to its income streams. For a not‑for‑profit agency, the majority of income streams are likely to be under either AASB 15 or AASB 1058. Because AASB 1058 undertakes a residual approach, an agency should assess the applicability of AASB 15 before it considers the application of AASB 1058. |
| AASB 15.9  AASB 15.9Aus1 | AASB 15 applies to contracts with customers that are enforceable and sufficiently specific. If the contract does not meet these criteria, an agency shall consider the requirements of AASB 1058 in accounting for such contracts. |
| AASB 15.113(a) | Note 5. SaleS of Goods and Services from Contracts with Customers |
|  | Description and Material Accounting Policies relating to the Sale of Goods and Services |
|  | ‘Burley Griffin Agency’ earns revenue from providing goods and services to other ACT Government agencies, private sector consumers and to the public. This revenue is legally retained by the Agency and driven by consumer demand. All revenue recognised in this note is user charge revenue. |
| AASB 15.9-90 | Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements. Revenue is based on the transfer of promised goods or services to customers at an amount that reflects the consideration in exchange for those goods or services. The timing of the payment for sale of goods and rendering of services largely corresponds with 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. Where payment is not received at the time of purchase, payments from customers are generally required within <xx> days of the provision of services. |
| AASB 15.123 | ‘Burley Griffin Agency’ undertakes an annual review to determine whether the goods and services it provides need to be classified as revenue from contracts with customers in accordance with AASB 15. These reviews involve contacting business units across ‘Burley Griffin Agency’ to obtain information primarily regarding any new contracts and other arrangements in order to make an assessment about whether they fall within the scope of AASB 15. The annual reviews also involves an assessment of any changes to existing contracts and other arrangements. ‘Burley Griffin Agency’ then assesses its revenue from contracts with customers and uses key judgements in determining the satisfaction of performance obligations. Key judgements are also used in determining the transaction price and the amounts allocated to performance obligations. As a result, ‘Burley Griffin Agency’ determined the goods and services to be classified as revenue from contracts with customers which have been included in this note as outlined below: |
|  | *Sale of Goods* |
| AASB 15.119  AASB 15.125 | This revenue stream relates to ‘Burley Griffin Agency’ selling various ACT environmental merchandising to tourists visiting Canberra and to the ACT community. Revenue is recognised at the transaction price when ‘Burley Griffin Agency’ transfers control of the goods to customers. This occurs when the environmental merchandising is sold to the customer and the transfer of physical possession to the customer occurs. No volume discount is provided. Merchandising sold comes with the ability to return it within a 7-day period. Given historical data shows that there is an immaterial amount of refunds for returned goods, the full selling price is recognised as revenue. |
|  | *Sale of Land* |
|  | This revenue stream relates to ‘Burley Griffin Agency’ selling residential land to the public, selling commercial and industrial land to businesses and selling community land to community groups operating in the ACT. Revenue is recognised by ‘Burley Griffin Agency’ when settlement occurs, because the purchaser has control of the land at this point in time. That is, at settlement, the purchaser has legal title to the land, they obtain all the risks and rewards of ownership of the land and the purchaser can prevent others from accessing and directing the use of the land. |

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| **Reference** | Note 5. SaleS of Goods and Services from Contracts with Customers – Continued |
| AASB 15.119  AASB 15.124 | *Services Revenue* |
|  | *Property Management Services* |
| AASB 15.119  AASB 15.125 | This revenue stream relates to property management services and includes the management of government owned commercial buildings, government office accommodation, multi-purpose buildings and leases of commercial buildings on behalf of the Territory. The property management services contracts are generally for three years, are with other ACT Government Agencies, and the total charge for these services is based on a percentage of the rent. All these contracts have the same or similar terms and conditions. The contracts outline that the property management service revenue stream is made up of a number of activities comprising maintenance, cleaning, security and landscaping. ‘Burley Griffin Agency’ concluded that these activities are not distinct within the context of the contract because the performance obligation is to ensure the property is open and operating as intended each month over the term of the contract. The other ACT Government agencies that are obtaining these property management services receive and consume the benefits of each activity when they are provided on a monthly basis, and as such, revenue is recognised on a monthly basis. |
|  | *Facilities Management Services Revenue* |
|  | This revenue stream relates to facilities management services provided to private sector clients. Facilities management services involve building and equipment maintenance. Control of the performance obligation is transferred at a point in time when the work is complete. |
| AASB 15.113(a) | *Event Revenue* |
|  | This revenue stream relates to the promotion and management of major sporting events at venues including ‘Example Stadium’ and ‘Example Oval’. A major event is considered to be a match or feature that is a national or international fixture. Major sporting events promoted and managed by ‘Burley Griffin Agency’ include rugby, cricket and soccer matches. All contracts for these three sporting events have similar terms and conditions and involve ‘Burley Griffin Agency’ providing ticketing services, negotiating advertising signage at the ground, advertising the event through various types of media, and providing game day logistics, catering and cleaning. |
|  | Event revenue contracts contain four performance obligations, each of which are satisfied at a point in time upon completion. The first performance obligation is upon signing the contract to run a major event and at this point 10% of the contract revenue is payable to ‘Burley Griffin Agency’ so this revenue is recognised at this point. The second performance obligation is upon the completion of signage negotiations which is required to be completed two weeks before the event. At this point a further 20% of contract revenue is recognised. The third performance obligation relates to ticketing and advertising and is required to commence one month from the event and finish the day before the event. At this point a further 30% of contract revenue is recognised evenly over this one-month period. The fourth performance obligation relates to the game day logistics, catering and cleaning. The final 40% of the contract revenue is recognised on the day of the event. |
|  | *Fare Revenue* |
|  | This revenue stream relates to fare revenue from the provision of public transport services. ‘Burley Griffin Agency’ recognises fare revenue from buses but has provided ‘Example Metro’ with a right to charge third-party users of the light rail and as such ‘Burley Griffin Agency’ does not recognise revenue from light rail services. The performance obligation is the provision of public transport services to the customer. Fares revenue is recognised when customers board the bus. |
|  | *Waste Fees* |
| AASB 15.119 | This revenue stream relates to fees being charged where certain types of waste require special burial arrangements. This waste includes oil, batteries, paint and asbestos. The performance obligation is the provision of landfill site access to a customer. Revenue is recognised at the time of disposal of contaminated waste at the landfill sites. |
|  | **COVID-19 Impact** |
|  | Since the commencement of the COVID-19 pandemic ‘Burley Griffin Agency’ has lost a material amount of public transport fare revenue. Bus patronage decreased to an estimated 25% of pre COVID‑19 levels in August 2021 due to a restricted service operating and lock down introduced by the ACT Government is response to the Delta outbreak. Since the lockdown ended in November 2021 and public transport services reverting to a normal timetable, patronage has since slowly recovered and is now estimated to be at 90% of pre COVID-19 levels. The reduction in patronage over the current financial year has resulted in lower fare revenue of approximately $xxx million when compared to pre-pandemic levels. |

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| **Reference** | Note 5. SaleS of Goods and Services from Contracts with Customers – Continued | | | |
|  |  | 2022  $’000 | 2021  $’000 | |
|  | **Sales of Goods and Services from Contacts with Customers** |  |  | |
| AASB 15.114 | Sale of Goods |  |  | |
| AASB 15.114 | Sale of Land |  |  | |
| AASB 15.114 | Service Revenue |  |  | |
| AASB 15.B89 | - Property Management Servicesa |  |  | |
| AASB 15.B89 | - Facilities Management Services Revenue |  |  | |
| AASB 15.B89 | * + Event Revenue |  |  | |
| AASB 15.B89 | - Fare Revenue |  |  | |
| AASB 15.114 | Waste Fees |  |  | |
|  | Other |  |  | |
|  | **Total Sales of Goods and Services from Contacts with Customers** |  |  | |
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|  | a) The increase in Property Management Fees of $xxx is mainly due to the rise in rental prices in the ACT with the property management fees charged as a percentage of the rent. | | | |
|  | Commentary – Note 5: Sales of Goods and Services from Contracts with Customers | | |
|  | Revenue recorded in this note is within the scope of AASB 15 *Revenue from Contracts with Customers*, i.e. exists within an enforceable contract with sufficiently specific performance obligations. | | |
| AASB 15.114,B87-89  ACT Disclosure Policy | The disaggregation shown in this note is by type of revenue but this breakdown is an example only. Agencies need to include a breakdown of all material revenue line items from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. | | |
| ACT Disclosure Policy | In addition, agencies should modify the length of the description and material accounting policies provided for each revenue type based on the materiality and complexity of that revenue type. That is, the more material and complex the revenue type, the longer the description and accounting policy should be for that revenue type. The less material and complex the revenue type, the shorter the description and accounting policy should be for that revenue type. | | |
| ACT Disclosure Policy | For example, in the Model Financial Statements, a detailed description and accounting policy has been included for Events Revenue as, for ‘Burley Griffin Agency’, this revenue type is both material and complex. However, for agencies that have ‘Events Revenue’ that is less material and complex, it is expected that agencies would shorten the wording to be less descriptive. On the other hand, in the Model Financial Statements, a less detailed description and accounting policy has been included for Waste Fee Revenue as, for ‘Burley Griffin Agency’, this revenue type is both less material and less complex. However, for agencies that have ‘Waste Revenue’ that is more material and complex, it is expected that agencies would lengthen the wording to be more descriptive. | | |
|  | **Revenue Recognition** | | |
| AASB 15.9-90 | To determine whether to recognise revenue under AASB 15, agencies must follow a five-step process:   * identifying the contract with a customer; * identifying the performance obligations; * determining the transaction price; * allocating the transaction price to the performance obligations; and * recognising revenue when/as performance obligations are satisfied. | | |
| AASB 15.31-32 | Revenue is recognised when (or as) an agency satisfies performance obligations by transferring a promised good or service to a customer. Agencies need to consider the pattern of revenue recognition for each revenue type and for each performance obligation, to determine whether contract revenue is recognised over time or at a point in time. | | |
| AASB 15.31 | According to AASB 15, revenue shall be recognised when the agency satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset: | | |
| **Reference** | Commentary – Note 5: Sales of Goods and Services from Contracts with Customers – Continued | | |
| AASB 15.32 | * for each performance obligation identified in a contract, an agency shall determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time; | | |
| AASB 15.35 | * an agency transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the agency’s performance as the agency performs; (b) the agency’s performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or (c) the agency’s performance does not create an asset with an alternative use to the agency and the agency has an enforceable right to payment for performance completed to date; | | |
| AASB 15.39 | * for each performance obligation satisfied over time, an agency shall recognise revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict an agency’s performance in transferring control of goods or services promised to a customer (i.e. the satisfaction of an agency’s performance obligation); | | |
| AASB 15.40 | * an agency shall apply a single method of measuring progress for each performance obligation satisfied over time and the agency shall apply that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting period, an agency shall remeasure its progress towards complete satisfaction of a performance obligation satisfied over time; and | | |
| AASB 15.38 | * if a performance obligation is not satisfied over time, an agency satisfies the performance obligation at a point in time. Revenue should be recognised at the point in time at which a customer obtains control of a promised asset and the agency satisfies a performance obligation. | | |
| AASB 15.124(a)&(b)  AASB 15.125 | For performance obligations that the agency satisfies over time it shall disclose the methods used to recognise revenue, for example a description of the output methods or input methods used and how they are applied and an explanation of why the methods used provide a faithful depiction of the transfer of goods or services. For performance obligations that are satisfied at a point in time, agencies shall disclose the significant judgements made in evaluating when a customer obtains control of the goods or services. | | |
|  | **Significant Accounting Judgement and Estimates – Revenue from Contracts** | | |
|  | Agencies should ensure that they refer to all material judgements and estimates made in applying AASB 15 and AASB 1058, including determining the appropriate accounting standard, performance obligations and the pattern of control transfer of goods and services. These disclosures should be specific to the agency. | | |
| AASB 15.123 | Key judgements include determining the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations and determining the transaction price and the amounts allocated to performance obligations. | | |
|  | Estimation uncertainty includes determining the transaction price (estimating variable consideration, adjusting the consideration for the time value of money and measuring non-cash considerations), allocating the transaction price, including estimating standalone selling prices and allocating discounts and variable consideration. | | |
| AASB 15.114  AASB 1058.24 | **Revenue Categories** | | |
|  | Revenue from contracts with customers under AASB 15 must be disclosed separately from other sources of revenue. | | |
| AASB 15.113(a)  AASB 15.B89 | Examples of categories of revenue within the scope of AASB 15 that might be appropriate include, but are not limited to, all of the following:   * type of good or service (for example, major product lines); * geographical region (for example, country or region); * market or type of customer (for example, government and non-government customers); * type of contract (for example, fixed-price and time-and-materials contracts); * contract duration (for example, short-term and long-term contracts); * timing of transfer of goods or services (for example, revenue from goods or services transferred to customers at a point in time and revenue from goods or services transferred over time); and * sales channels (for example, goods sold directly to consumers and goods sold through intermediaries). | | |
| AASB 1058.26 | Examples of categories of income within the scope of AASB 1058 that might be appropriate include, but are not limited to, all of the following:   * grants, bequests and donations of cash, other financial assets and goods; * recognised volunteer services; and * appropriation income. | | |

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| **Reference** | | Commentary – Note 5: Sales of Goods and Services from Contracts with Customers – Continued |
|  | | **User Charge Revenue** |
|  | | User charge revenue relates to the sale of goods or provision of services to other entities (including ACT Government Entities). User charges are generated by consumer demand, are market related and have a commercial nature. They are non-regulatory in nature, in that they are not a policy instrument that government uses to regulate an activity. |
|  | | **Transaction Price** |
| AASB 15.46  AASB 15.48 | | AASB 15 requires recognition of revenue at the amount of the transaction price that is allocated to the performance obligation(s). When determining the transaction price, an agency shall consider the effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration, and consideration payable to a customer. |
|  | | For further information please see ACT Guidance Paper: Revenue Disclosures and Workpapers. |
|  | Note 6. Grants and contributions Revenue | |
|  | **Description and Material Accounting Policies relating to** **Grants and Contributions** **Revenue** | |
|  | *General Grant and Contributions Accounting Policy* | |
| AASB 1058.9  AASB 1058.18  AASB 1058.15 | Where ‘Burley Griffin Agency’ receives an asset or services for significantly less than fair value then the transaction is in the scope of AASB 1058 and revenue is recognised on receipt of the asset / services. The related expense and/or asset is recognised in the line item to which it relates, when the services are received. | |
|  | Goods and services received free of charge from ACT Government agencies are recognised as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recognised as grants, donations or contributions.  All the services listed below are recognised in the Operating Statement or Balance Sheet as appropriate as services received free of charge given they are reliably measurable and would have been purchased if not provided to the Agency free of charge. | |
|  | *Legal Services* | |
| AASB 1058.18 | Legal Services were received free of charge from the ACT Government Solicitor’s Office (GSO) due to legal action resulting from ‘Burley Griffin Agency’ burying waste material in landfill which then leaked and contaminated the area and nearby farmland. | |
|  | *Chief Minister, Treasury and Economic Development Directorate (CMTEDD) Resource Received Free of Charge* | |
|  | *Shared Services Resource Received Free of Charge* | |
|  | ‘Burley Griffin Agency’ is required by the ACT Government to use Shared Services for its financial and HR processing. Shared Services is part of CMTEDD. Given Shared Services is directly appropriated by the ACT Government to provide certain services at a fixed cost to ‘Burley Griffin Agency’, it means that the Agency does not have to pay for these services. | |
|  | *Professional Standards Unit (PSU)* | |
|  | Professional Standards Unit (PSU) is part of CMTEDD and provides investigation services regarding misconduct and other complaints relating to employees across the ACT Public Service. In addition to investigating complaints, PSU, through the office of the Public Sector Standards Commissioner also advises the Chief Minister on matters arising from investigations conducted. | |
|  | Given PSU is directly appropriated by the ACT Government, ‘Burley Griffin Agency’ does not have to pay for these services. CMTEDD provided ‘Burley Griffin Agency’ with the fair value of the services provided. | |
|  | *Territory Records Office (TRO)* | |
|  | TRO provides record management services to ‘Burley Griffin Agency’ free of charge. TRO is directly appropriated to provide these services across the ACT Government and as such, ‘Burley Griffin Agency’ is required to use these services. CMTEDD provided ‘Burley Griffin Agency’ with the fair value of the services provided. TRO is part of CMTEDD.  *Project Management Services provided by Major Projects Canberra (MPC)*  MPC provides procurement and infrastructure delivery services to ‘Burley Griffin Agency’ free of charge. MPC is directly appropriated to deliver these services and as such, ‘Burley Griffin Agency’ is required to use these services. The fair value of these services provided are capitalised on the Balance Sheet as they are directly attributable to the creation of the assets for which the service is provided. | |

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| **Reference** | Note 6. Grants and contributions Revenue – Continued | | |
|  | **Description and Material Accounting Policies relating to Grants and Contributions** **Revenue – Continued** | | |
|  | *Volunteer Services Received Free of Charge* | | |
|  | Each financial year ‘Burley Griffin Agency’ runs ‘Example Multicultural Festival’. As part of the festival approximately 130 staff from within the ACT Government volunteered to help out and undertake tasks such as Area Wardens, Reception Assistances, Festival Information Tent Officers, VIP Welcome Assistants and Logistics Radio Officers. In addition, approximately 40 volunteers external to the ACT Government also assisted in the running of the festival. | | |
|  | The value of these volunteers’ time can be reliably measured by ‘Burley Griffin Agency’ as a number of quotes were obtained from the private sector to provide services for the festival, however these services were ultimately undertaken by volunteers. | | |
|  | *COVID-19 Administration and Logistical Support* | | |
|  | During the COVID-19 pandemic ‘Burley Griffin Agency’ received support free of charge from other ACT Government Agencies with the administration of a new public transport timetable. The timetable had to be altered due to the lockdown that occurred in Canberra in August through to November 2021 resulting from a COVID outbreak. | | |
|  | *Other Grants and Contributions* | | |
|  | ‘Grants with Sufficiently Specific Performance Obligations’ are recognised as revenue over time in accordance with AASB 15 when ‘Burley Griffin Agency’ satisfies the milestones contained in the funding agreement relating to the conduct of relevant ecological surveys for ‘Example Commonwealth Department’. The funding payments are normally received in advance however are not recognised as revenue until after the relevant obligation is satisfied. | | |
| AASB 15.31  AASB 1058.16  AASB 1058.35 | With the exception of the ‘Grants with Sufficiently Specific Performance Obligations’ line item, ‘Burley Griffin Agency’ has determined that the agreements/arrangements relating to ‘Other Grants and Contributions’ line items included in this note are not enforceable and they do not contain sufficiently specific performance obligations for recognising revenue from contracts with customers under AASB 15. This is because none of the arrangements require ‘Burley Griffin Agency’ to provide an equal amount in return for the consideration received. As such, AASB 1058 has been applied for recognising this revenue. This revenue is recognised upon receipt of the donation, the grant funding or restructure fund receipts, with the exception of the ‘Grants to Acquire or Construct Assets to be Controlled by the Agency’ line item. | | |
|  | Where ‘Burley Griffin Agency’ receives ‘Grants to Acquire or Construct Assets to be Controlled by the Agency’ that meet the following:  * the contract is enforceable; * the financial asset is to be used to acquire or construct a non-financial asset which will be recognised by the agency; and * the asset is not required to be transferred to any other party; | | |
|  | then a contract liability is recognised on receipt of funds and revenue is recognised as the acquisition or construction occurs, using a progressive percentage of costs incurred because this most closely reflects the progress to completion. | | |
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| ACT Disclosure Policy |  | 2022 | 2021 |
|  |  | $’000 | $’000 |
|  | **Resources Received Free of Charge** |  |  |
|  | Legal Servicesa |  |  |
|  | Financial Services provided by Shared Services |  |  |
|  | Human Resources Services provided by Shared Services |  |  |
|  | Record Management Services provided by Territory Records Office |  |  |
|  | Investigation Services – Professional Standards Unit |  |  |
|  | COVID-19 Administration and Logistical Support |  |  |
|  | Project Management Services provided by Major Projects Canberra |  |  |
| AASB 1058.22 | **Total Resources Received Free of Charge** |  |  |

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| **Reference** | Note 6. Grants and contributions Revenue – Continued | | | |
| ACT Disclosure Policy |  | 2022 | | 2021 |
|  |  | $’000 | | $’000 |
|  | **Other Grants and Contributions** |  | |  |
| AASB 15.113(a) AASB 15.114 | Grants with Sufficiently Specific Performance Obligations |  | |  |
| AASB 1058.10 | Grants without Sufficient Performance Obligations |  | |  |
| AASB 1058.31 | Grants to Acquire or Construct Assets to be Controlled by the Agency |  | |  |
| AASB 1058.26(a) | Donations |  | |  |
|  | Gain Arising from the Contribution of Assets |  | |  |
|  | Donations of Property, Plant and Equipment |  | |  |
|  | Restructure Fund Receipts |  | |  |
| AASB 1058.26(b) | Volunteer Services – External Volunteers |  | |  |
|  | **Total Other Grants and Contributions** |  | |  |
| AASB 1058.22 | **Total Grants and Contributions** | |  |  |
|  |  | |  | |
|  | 1. The increase in legal services of $xxx was due to the litigation arising from contamination caused by ‘Burley Griffin Agency’. | | | |
|  | Commentary – Note 6: Grants and Contributions Revenue | | | |
|  | **AASB 1058 Income of Not-for-Profit Entities** | | | |
| AASB 1058.1 | AASB 1058 applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit agency to further its objectives (i.e. transactions with a donation nature) and the receipt of volunteer services. | | | |
| AASB 1058.8  AASB 1058.9 | According to AASB 1058, an agency shall apply the requirements of other Australian Accounting Standards (as relevant) to an asset arising from a transaction (e.g. AASB 9 *Financial Instruments* for cash received). On initial recognition of the asset, an agency shall recognise any related contributions by owners, increases in liabilities, decreases in assets (‘related amounts”), and revenue in accordance with other Australian Accounting Standards. | | | |
| AASB 1058.10  AASB 1058.15 | For transactions within the scope of AASB 1058, an agency shall recognise income immediately in profit or loss for the excess of the initial carrying amount of an asset over the related amounts recognised in accordance with the other standards (referred to above). | | | |
| AASB 1058.16 | There is an exception where a transfer of a financial asset is to enable an agency to acquire or construct a recognisable non-financial asset that will be controlled by the agency. This exception applies to a transfer that:   * requires the agency to use that financial asset to acquire or construct a recognisable non-financial asset to identified specifications; * does not require the agency to transfer the non-financial asset to the transferor or other parties; and * occurs under an enforceable agreement. | | | |
|  | An agency shall recognise a liability for the excess of the initial carrying amount of a financial asset received in such a transfer over any related amounts recognised. The agency shall recognise income in profit or loss when the agency satisfies its obligations under the transfer. | | | |
|  |  | | | |
|  | **Contribution of Services** | | | |
| AASB 1058.18 &22  ACT Disclosure Policy | Contribution of services (resources received free of charge) must be recognised at their fair value if:   * the fair value can be reliably measured, and * the services would have been purchased if not received free of charge.   Resources received free of charge comprise resources received from other ACT Government agencies. It does not include resources received from external parties. | | | |
| AASB 1058.27 | Where revenue is recognised through a contract which is not enforceable or does not contain sufficiently specific performance obligations then it is within the scope of AASB 1058 and should be included within this note. | | | |
|  | Disclosure should be included regarding the extent of volunteer services used regardless of whether the value of the services has been recognised. | | | |
| **Reference** | Commentary – Note 6: Grants and Contributions Revenue – Continued | | | |
|  | Where Agencies receive capital grants that meet the following:   * the contract is enforceable; * the financial assets are to be used to acquire or construct a non-financial asset which will be recognised on the agency’s books; and * the asset is not required to be transferred to any other party   then this transaction is separately identified as the revenue is recognised as the asset is constructed or acquired rather than on receipt of the funds. | | | |
|  | Restructure Fund Receipts should be classified as Contributions and should be shown gross rather than netted off against the related termination expense. | | | |
|  | **Legal Services** | | | |
|  | The Government Solicitors Office will provide agencies with the amount of resources that they have provided free of charge in the financial year.  Agencies need to ensure they do not disclose legally sensitive information. | | | |
|  | Note 7. Investment and Interest Revenue | | | |
|  | Description and Material Accounting Policies relating to Investment and Interest Revenue | | | |
|  | *Interest revenue* | | | |
| AASB 9.5.4.1 | The Agency receives interest revenue from the ‘Example Home Loan Scheme’, where loans are offered at a concessional interest rate to assist low income households. For further information in relation to the ‘Example Home Loan Scheme’ see the ‘Unwinding of Concessional Loan Discount Revenue’ description below. The Agency recognises interest on these loans using the effective interest method. | | | |
|  | *Distribution revenue* | | | |
|  | ‘Burley Griffin Agency’ has ‘Investment Unit Holdings’ with the Territory Banking Account for which it receives a distribution. This is recognised when the Agency’s right to receive payment is established. | | | |
|  | *Dividend revenue* | | | |
| AASB 9.5.7.1A (a)(b)&(c) | ‘Burley Griffin Agency’ recognises dividend revenue when the Agency’s right to receive payment is established. | | | |
|  | *Rental income* | | | |
|  | *Rental income from Operating Leases* | | | |
| AASB 16.81 | ‘Burley Griffin Agency’ holds buildings as investment properties for which it collects a commercial market rent. As a lessor of investment properties, the Agency leases to commercial and community tenants under an operating lease. The lease income from operating leases is recognised on a straight line basis over the lease term. | | | |
|  | Contingent rents are recognised as revenue in the period in which they are earned. | | | |
|  | *Rental income from Financing Leases* | | | |
|  | The Agency has excess capacity in leased storage facility properties under a head lease. As such, ‘Burley Griffin Agency’ has sub-leased this excess capacity. As a lessor, ‘Burley Griffin Agency’ has accounted for these leases as a finance lease. Income under a finance lease is recognised based on a constant periodic rate of return on the Agency’s net investment in the lease. | | | |
|  | If any lease contains lease and non-lease components, then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*. | | | |
|  | *Unwinding of concessional loan discount Revenue* | | | |
|  | ‘Burley Griffin Agency’ provides concessional loans under the ‘Example Home Loan Scheme’ to ACT residents. The concessional loans are at a low interest rate so the difference between the loan’s nominal value at the concessional rate and fair value at the market rate is initially recognised as a Concessional Loan Discount Expense. Subsequent to initial recognition ‘Burley Griffin Agency’ then recognises revenue for the unwinding of the concessional loan discount. | | | |

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| **Reference** | Note 7. Investment and Interest Revenue – Continued | | |
| AASB 7.20 | **Investment and Interest Revenue** | 2022  $’000 | 2021  $’000 |
| AASB 7.20(b) | Interest from Loans Receivable**a** |  |  |
|  | Distribution from Investments with the Territory Banking Account |  |  |
|  | Dividends |  |  |
| AASB 16.90(b)  AASB 140.75(f)(i) | Operating Lease Rental Income from Investment Property |  |  |
| AASB 16.53(f)  AASB 16.90(a)(ii) | Finance Lease Rental Income from Sub-leasing Right-of-Use Assets |  |  |
|  | Unwinding of Concessional Loan Discount Revenue |  |  |
| AASB 15.58 | Royalties |  |  |
| AASB 7.20(b) | Other Interest Revenue |  |  |
| AASB 101.82(a) | **Total Investment and Interest Revenue** |  |  |
|  |  |  |  |
|  | **Split of Investment and Interest Revenue** |  |  |
|  | Investment Revenue |  |  |
|  | Interest Revenue |  |  |
|  | **Total Investment and Interest Revenue** |  |  |
|  |  |  |  |
| AASB 7.20(b) | Total interest revenue from financial assets at amortised cost |  |  |
| AASB 16.90(b) | Operating Lease income relating to variable lease payments not dependent on an index or a rate |  |  |
|  | * + 1. The increase in interest received from loan receivable of $xxx reflects the issuing of more loans under the ‘Example Home Loan Scheme’ due to an increased demand for the scheme throughout the reporting period. | | |
|  | **Commentary – Note 7: Investment and Interest Revenue** | | |
|  | **Whole-of-Government Banking Arrangements** | | |
| AASB 9.5.4.1 | Agencies can have either set-off or non set-off bank accounts through the Territory Banking Account with Westpac as part of the Whole-of-Government Banking Arrangement. Agencies that have set-off bank accounts will not earn interest on the funds in those accounts. However, agencies that have set-off bank accounts will earn interest on the funds in those accounts which should be recorded in this note. Where this is the case agencies should measure interest revenue using the effective interest method and should disclose this fact under the ‘Description and Material Accounting Policies relating to Investment and Interest Revenue’ heading in the Investment Revenue Note. | | |
|  | **Income from Investment Property** | | |
| ACT Disclosure Policy | This note includes income earned from both owned investment property through head leases and income earned through sub-lease arrangements. | | |

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| **Reference** | Note 8. Gains from Disposals, DeRecognition and ReMeasurement of Assets | | | |
|  | Description and Material Accounting Policies Relating to Gains from Disposals, Derecognition and Remeasurement of Assets | | | |
|  | *Gains from the Forgiveness of Liabilities* | | | |
| AASB 1004.39 | Gains from the Forgiveness of Liabilities are recognised as income and recorded at the carrying amount. | | | |
|  |  | | 2022 | 2021 |
|  |  | | $’000 | $’000 |
|  | **Gains on Disposal and Derecognition of Assets** | | | |
| AASB 7.20(a) | Gains on Disposal of Investmentsa | |  |  |
| AASB 7.20(a) | Gains from the Forgiveness of Liabilities | |  |  |
|  | Gains from the Sale of Assets | |  |  |
| AASB 16.53(i) | Gains arising from Sale and Leaseback Arrangements | |  |  |
|  | **Total Gains on Disposal and Derecognition of Assets** | |  |  |
|  |  | |  |  |
|  | **Gains on Remeasurement of Assets** | |  |  |
| AASB 102.36(f) | Reversal of the Write-down in Inventoryb | |  |  |
|  | Gains on Remeasurement of Investments | |  |  |
| AASB140.76(d) | Gains from the Revaluation of Investment Properties | |  |  |
|  | **Total Gains on Remeasurement of Assets** | |  |  |
|  |  | |  |  |
|  | **Total Gains from Disposal, Derecognition and Remeasurement of Assets** | |  |  |
|  |  | |  |  |
| AASB 102.36(g) | 1. The decrease in Gains on Disposal of Investments of $xxx is due to ‘Burley Griffin Agency’ having fewer investments in 2021-22. 2. The reversal of the write-down of inventory of $xxx was due to a reassessment of the net realisable value of that inventory. | | | |
|  |  | | | |
|  | Commentary – Note 8: Gains from Disposal, Derecognition and Remeasurement of Assets | | | |
|  | The breakdown shown in this note disclosure is an example only. Agencies should only include line items that are applicable to them where material. | | | |
| AASB 101.35 | Gains and losses arising from a group of similar transactions should be reported on a net basis. However, if the gains and losses are material they should be reported separately, except for the Territory Banking Account who will show all gains and losses resulting from financial assets on a net basis. | | | |
|  | If an agency has made a net gain on investments held with the Territory Banking Account or on the Sale of Assets this is presented in *Gains from Disposal, Derecognition and Remeasurement of Assets*. If an agency makes a net loss on investments with the Territory Banking Account or on the Sale of Assets, this amount will appear in Note 14 *Other Expenses*. | | | |
|  | Agencies should be aware that if they have material amounts against the line items listed below, they should be included in the Other Income note:   * reversal of asset revaluation decrements previously expensed, or * re-recognition of assets previously written-off. | | | |
|  | **Reversal of Impairment Loss** | | | |
| AASB 136.126(b) | An agency shall disclose, for each class of asset, the amount of reversals of impairment losses recognised in the Operating Statement during the reporting period and the line item(s) of the Operating Statement in which those impairment losses are reversed. However, given that agencies are required to measure most Property, Plant and Equipment at fair value, most reversals of impairment losses will go through the Asset Revaluation Surplus. Any balance not able to be met by the Asset Revaluation Surplus would be recognised in the Operating Statement. | | | |
| **Reference** | Note 9. Other Income | | | |
|  | Description and Material Accounting Policies Relating to Other Income | | | |
|  | *Revenue from Service Concession Arrangements* | | | |
|  | Revenue from Service Concession Arrangements is revenue that is recognised over time as the corresponding ‘Grant of a Right to Operate’ Liability reduces over the remaining period of the Service Concession Arrangement. For more information in relation to service concession arrangements refer to Note 39 *Service Concession Arrangements*. | | | |
|  | *Other Revenue and Other Gains* | | | |
|  | Other Revenue arises from the core activities of ‘Burley Griffin Agency’, whereas Other Gains are transactions that are not part of the Agency’s core activities and tend to be one off. | | | |
|  |  | 2022  $’000 | | 2021  $’000 |
|  | Other Income |  | |  |
|  | Other Revenue |  | |  |
| AASB 1059.21-23 | Revenue from Service Concession Arrangements |  | |  |
|  | Insurance Recoveries from the ACT Insurance Authority |  | |  |
|  | Other Revenue |  | |  |
|  | Total Other Revenue |  | |  |
|  |  |  | |  |
|  | Other Gains |  | |  |
| AASB 101.97,98 | Reversal of Asset Revaluation Decrements Previously Expensed |  | |  |
| AASB 101.97,98 | Recognition of Assets Previously Written Off |  | |  |
|  | Other |  | |  |
|  | **Total Other Gains** |  | |  |
|  |  |  | |  |
|  | **Total Other Income** |  | |  |
|  |  | | | |
|  | Commentary – Note 9: Other Income | | | |
|  | The breakdown shown in this note disclosure is an example only. Agencies should only include line items that are applicable to them where material. | | | |
| AASB 101.35 | Gains and losses arising from a group of similar transactions should be reported on a net basis. However, if the gains and losses are material they should be reported separately. | | | |
| AASB 101.7  AASB 108.5  ACT Disclosure Policy | The notion of materiality applies to the classification of other income. Each material class of gains must be disclosed separately and the total of unclassified gains must not exceed 10% of total gains disclosed in the note. | | | |
| **Service Concession Arrangements** | | | |
|  | Where Service Concession Arrangement revenue is material when compared to total revenue of an agency then it will warrant its own line item on the face of the financial statements. Where it is immaterial in the context of this note then agencies should consider its inclusion in the ‘Other Revenue’ line item. | | | |

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| **Reference** | Note 10. Employee and Superannution Expenses | | |
|  | **Description and Material Accounting Policies Relating to Employee and Superannuation Expenses** | | |
| AASB 119.5 & 9 | Employee benefits include:   * short-term employee benefits such as wages and salaries, annual leave loading, non-monetary benefits (e.g. vehicles) and applicable on-costs, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services; * other long-term benefits such as long service leave and annual leave; and * termination benefits. | | |
| ACT Disclosure Policy  AASB 119.5(b) & 53 | On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave. | | |
| Employees of ‘Burley Griffin Agency’ will have different superannuation arrangements due to the type of superannuation schemes available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements. | | |
|  | For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) ‘Burley Griffin Agency’ makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. The ‘Burley Griffin Agency’ also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes. | | |
|  | For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice) ‘Burley Griffin Agency’ makes employer superannuation contribution payments directly to the employees’ relevant superannuation fund. | | |
|  | All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid. | | |
|  |  | | |
|  |  | 2022  $’000 | 2021  $’000 |
|  | Wages and Salaries |  |  |
|  | Annual Leave Expense |  |  |
|  | Long Service Leave Expense |  |  |
|  | Workers’ Compensation Insurance Premium |  |  |
|  | Termination Expense |  |  |
| AASB 119.53 | Superannuation Contributions to the Territory Banking Account |  |  |
|  | Productivity Benefit |  |  |
|  | Superannuation to External Providers |  |  |
|  | Other Employee Benefits and On-Costs |  |  |
|  | **Total Employee and Superannuation Expenses** |  |  |
|  |  |  |  |
|  | **Split of Employee and Superannuation Expenses** |  |  |
|  | Total Employee Expenses |  |  |
|  | Total Superannuation Expenses |  |  |
|  | **Total Employee and Superannuation Expenses** |  |  |

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| **Reference** | Commentary – Note 10: Employee and Superannuation Expenses |
| AASB 119.11 | Where an employee has rendered services to the agency during a reporting period, the agency must recognise as an expense (and a liability) the undiscounted amount of short-term employee benefits, including non-monetary benefits, expected to be settled in exchange for that service. Wages and salaries include the cost of any components of a wage or salary package and related Fringe Benefits Tax. |
|  | Termination expense represents the movement in the provision for termination benefits outlined in Note 27 *Employee Benefits*. This provision relates solely to redundancies paid to employees as a result of positions being abolished due to a restructuring of the agency. |
|  | **Territory Authority Commentary** |
| AASB 119.83  FFM Memo 2015/12 ACT Accounting Policy Employee Benefits | *Corporate Bond Rate* |
| The rate used by for-profit authorities to discount employment benefit obligations (both funded and unfunded) is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. |
|  | Note 11. Supplies and Services |
|  | Description and Material Accounting Policies Relating to Supplies and Services |
|  | *General - Supplies and Services* |
|  | Purchases of Supplies and Services generally represent the day-to-day running costs incurred in normal operations, recognised in the reporting period in which these expenses are incurred. |
|  | *Legal Expenses* |
|  | ‘Burley Griffin Agency’ has recognised legal expenses related to legal services received free of charge from the ACT Government Solicitor’s Office (GSO). The legal services were provided due to legal action being taken against ‘Burley Griffin Agency’ for burying waste material in landfill which then leaked and contaminated the area and nearby farmland. The GSO provided ‘Burley Griffin Agency’ with the fair value of the services provided. |
|  | *Lease Rental Payments* |
| AASB 16.5(a)&(b), B3-B8,B14 | Lease Rental Payments includes short-term leases of 12 months or less and low value leases up to $10,000 as well as non-specialised accommodation leases with Property Group. |
|  | *Auditor Service Fees* |
| AASB 1054.10 (a) &(b) | Audit Fees are included in the Contractors and Consultants line item below. Auditor’s remuneration consists of financial audit services provided to the Agency by the ACT Audit Office and any other services provided by a contract auditor engaged by the ACT Audit Office to conduct the financial audit. ‘Burley Griffin Agency’s’ audit fees for the audit of its 2021-22 financial statements was $xxx ($xxx 2020-21). No other services were provided by the ACT Audit Office. |
|  | *Insurance* |
| AASB 16.5(a)&(b) &B3-B8; | Major risks are insured through the ACT Insurance Authority. The excess payable, under this arrangement, varies depending on each class of insurance held. |
|  | *Repairs and Maintenance* |
|  | Maintenance expenses, which do not increase the service potential of an asset, are expensed. |

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| **Reference** | Note 11. Supplies and Services – Continued | | | | |
|  |  | | 2022  $’000 | | 2021  $’000 |
| AASB 16.53(c)&(d) | Legal Expenses a | |  | |  |
|  | Contractors and Consultants b | |  | |  |
|  | Consumable Stores and Supplies c | |  | |  |
|  | Valuation Services | |  | |  |
|  | Hire Charges | |  | |  |
|  | Utilities | |  | |  |
|  | Insurance d | |  | |  |
|  | Computing Costs | |  | |  |
|  | Repairs and Maintenance e | |  | |  |
|  | Printing | |  | |  |
|  | Communications | |  | |  |
|  | Publications | |  | |  |
|  | Postage and Courier | |  | |  |
|  | Staff Development | |  | |  |
|  | Stationery | |  | |  |
|  | IT Services | |  | |  |
|  | Travel | |  | |  |
|  | Non-Specialised Accommodation Lease Payment Expense | |  | |  |
| AASB 16.53(c) | Expense Relating to Short-Term Leases | |  | |  |
| AASB 16.53(d) | Expense Relating to Leases of Low-Value Assets | |  | |  |
|  | Rental Expense Arising from Sub-Leases | |  | |  |
| AASB 16.53(e) | Variable Lease Payments based on Usage not included in the Lease Liability | |  | |  |
|  | Service Concession Arrangement – Service Expenses | |  | |  |
|  | Other | |  | |  |
|  | **Total Supplies and Services** | |  | |  |
|  | a) The increase in legal expenses of $xxx was due to the litigation arising from related claims. These legal expenses related to court costs, such as engaging the services of barristers. | | | | |
|  | b) The decrease in contractors and consultants of $xxx is due to an increase in the number of staff employed resulting in a decreased demand for contracting and consulting services. | | | | |
|  | c) The decrease in consumable stores and supplies of $xxx is due to the increase in the repairs and maintenance of infrastructure assets. | | | | |
|  | d) The increase in insurance expense of $xxx is due to the rise in the number and value of assets being insured. In addition, the revaluation of land, buildings, and community and heritage assets resulted in the value of insured assets increasing. | | | | |
|  | e) Major maintenance on infrastructure assets of $xxx is carried out on a rolling basis over a period of 3 years. The increase in repairs and maintenance is due to this major cyclical maintenance being performed on larger sub-classes of infrastructure assets than last reporting period. | | | | |
|  | For more information in relation to service concession arrangements refer to Note 39 *Service Concession Arrangements.* | | | | |
|  | Commentary – Note 11: Supplies and Services | | | | |
|  | The breakdown of Supplies and Services shown above is an example only. Agencies will need to include their own breakdown of all material line items in the Supplies and Services expenses note disclosure. | | | | |
|  | **Auditor’s Remuneration** | | | | |
| AASB 1054 10 & 11 | AASB 1054 *Australian Additional Disclosures* requires agencies to disclose the fees to:   * the auditor of the agency for an audit or a review of its financial statements; and * the auditor of the agency for non-audit services in relation to the agency, disclosing separately the nature and amount of each of the non-audit services provided by the auditor. | | | | |
|  | * If auditor remuneration amounts are immaterial (when compared to total Supplies and Services) then agencies can include the amount in the ‘Other’ line item within the Supplies and Services note disclosure. | | | | |
| **Reference** | Note 12. Grants and Purchased Services | | | | |
|  | Description and Material Accounting Policies relating to Grants and Purchased Services | | | | |
| ACT Disclosure Policy | Grants are amounts provided to ACT Government agencies and non‑ACT Government agencies for general assistance or for a particular purpose. Grants may be for capital, current or recurrent purposes and the name or category reflects the use of the grant. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.  Grants are goods, services or assets that are provided to another entity without receiving approximately equal value in return. ‘Burley Griffin Agency’ provides recurrent grants to various community organisations under four different grant programs. Capital Grants are payments from ‘Burley Griffin Agency’ that are provided to Non-Government Organisations for the construction of new buildings or to upgrade existing buildings. Recurrent Grants expenditure is generally recognised when the services have been performed by the grantee or the grant eligibility criteria has been satisfied. Capital Grant expenses are recognised in the reporting period in which they are paid or payable. | | | | |
|  | Purchased services are amounts paid to obtain services from other ACT Government agencies and external parties. These transaction are reciprocal in nature. | | | | |
|  |  | 2022  $’000 | | 2021  $’000 | |
| ACT Disclosure Policy | **Recurrent Grants** |  | |  | |
|  | Jobs for Canberrans |  | |  | |
|  | Example Sport Grants Program |  | |  | |
|  | Example Community Grants Program |  | |  | |
|  | Example Environment Program |  | |  | |
|  | **Total Recurrent Grants** |  | |  | |
|  |  |  | |  | |
| ACT Disclosure Policy | **Capital Grants** a |  | |  | |
|  | Grant for the Construction of short-term accommodation for people with disability |  | |  | |
|  | **Total Capital Grants** |  | |  | |
|  |  |  | |  | |
| ACT Disclosure Policy | **Purchased Services** b |  | |  | |
|  | Services Purchased from Community Legal Centres |  | |  | |
|  | Services Purchased from Non-Government Organisations |  | |  | |
|  | **Total Purchased Services** |  | |  | |
|  | Community Service Obligation Payments to Agencies |  | |  | |
|  | **Total Grants and Purchased Services** |  | |  | |
|  |  | | | | |
|  | 1. The increase in capital grants of $xxx is due to the Agency receiving an increase in Controlled Recurrent Payments to fund a new capital grant program being managed by the Agency. 2. The increase in payments to service providers of $xxx is due to the Agency now being responsible for providing services involving the waste management and environmental function. These services were being provided by another agency in prior years. | | | | |
|  |  | | | | |
|  | Commentary – Note 12: Grants and Purchased Services | | | | |
|  | Agencies should tailor the information in this note to their own circumstances setting out appropriate details of the service providers and grant recipients and the nature of the government objectives being achieved. That is, agencies should list specific groups of ‘Payments to Service Providers’ and specific grant programs, instead of putting them all in one line item (eg instead of putting all recurrent grants in one recurrent grants line item). | | | | |
| Chief Minister’s Annual Report Directions | This note requires the disclosure of grants and payments to service providers. In addition, the Chief Minister’s Annual Report Directions requires details of service purchasing agreements, community grants, sponsorships and assistance provided by the agency to be reported in the agency’s Annual Report. | | | | |
|  | Grants and Purchased Services are generally not applicable to territory authorities. | | | | |
| **Reference** | Note 13. Borrowing Costs | | | | |
|  | Description and Material Accounting Policies Relating to Borrowing Costs | | | | |
| AASB 123.Aus8.1 & Aus26.1, ACT Accounting Policy – Property Plant & Equipment | All borrowing costs, including those that are directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred. | | | | |
|  |  | | 2022  **$’000** | | **2021**  **$’000** |
| AASB 7.20(b) | Interest Expense on Bank Overdraft / Borrowings | |  | |  |
| AASB 16.53(b) | Interest on lease liabilities | |  | |  |
|  | Interest attributable to the construction of a qualifying asset | |  | |  |
|  | Finance Costs from Service Concession Arrangements | |  | |  |
|  | Finance Cost on Make Good | |  | |  |
| 137.60 | **Total Borrowing Costs** | |  | |  |
|  | For more information in relation to service concession arrangements refer to Note 39 Service Concession Arrangements. | | | | |
|  |  | |  | |  |
|  | Commentary – Note 13: Borrowing Costs | | | | |
| AASB 123.6  AASB 16.49  AASB137.60 | Borrowing costs may include:   * interest on bank overdrafts and short-term and long-term borrowings; * interest in respect of lease liabilities recognised in accordance with AASB 16 *Leases*; and * the finance cost for the unwinding of the discount on make good provisions (recognised in accordance with AASB Interpretation 1.8). | | | | |
| AASB 123.Aus 26.1 | The financial statements shall disclose the accounting policy adopted for borrowing costs. This policy should be included in this note. | | | | |
| AASB 123.Aus 8  AASB 123.Aus 8.1  ACT Accounting Policy | An entity must capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset, unless the entity is a not-for-profit public sector entity. A not-for-profit public sector entity may elect to recognise borrowing costs as an expense, regardless of how the borrowings are applied. ACT Accounting Policy requires all borrowing costs to be expensed in the period in which they occur. As such, all borrowing costs are expensed as incurred. | | | | |
| AASB 123. 8 & Aus 8.1  ACT Disclosure Policy | **Territory Authority Commentary**  Territory authorities that are either for-profit, or not considered a public sector entity, will have to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. These entities may still recognise other borrowing costs as an expense in the period in which they are incurred. | | | | |

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| **Reference** | Note 14. Other Expenses | | |
|  | **Description and Material Accounting Policies Relating to Other Expenses** | | |
|  | *Restoration of Contaminated Sites Expense* | | |
|  | ‘Burley Griffin Agency’ disposed of waste material by burying it in landfill, however, it was discovered that the waste had leaked and contaminated the area, including nearby farmland. As such, the Agency has recognised the estimated cost of clearing up the site as an expense. | | |
|  | *Waivers* | | |
| FMA sec 131 (1)(a)  FMA sec 131 (3) | A waiver is the relinquishment of a legal claim to a debt. The Treasurer may in writing, waive the right to payment of an amount owing to the Territory. In the current financial year the Treasurer has waived sports ground hire fees, loans owing to the Agency from third parties, and made other waivers. Waivers are expensed during the year in which the right to payment was waived. | | |
|  | *Impairment Losses – Non-Financial Assets* | | |
|  | Impairment loss expenses are recognised for both property, plant and equipment, and intangible assets when their carrying amount is higher than their recoverable amount, with the difference between the two being the amount of the impairment loss. Impairment losses for plant and equipment, lease hold improvements and intangibles are recognised as an expense in the Operating Statement. Impairment losses for land, buildings, infrastructure, and community and heritage assets, are only recognised as an expense when the amount of the impairment is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset. | | |
|  | *Impairment Losses and Write-Offs – Accounts and Loans Receivables* | | |
|  | A matrix is used to calculate the amount of lifetime expected credit loss which factors practical and justifiable forward-looking information, including forecast economic changes expected to impact ‘Burley Griffin Agency’s’ receivables (See Note 16 *Receivables and Contract Assets*). This method is based on the possibility of default events occurring over the lifetime of the loans. | | |
|  | *Losses or Deficiencies in Public Monies* | | |
| ACT Disclosure Policy | This line item includes a number of different items including: | | |
|  | * decrease in monies due to fraud; * monies which cannot be accounted for; and * monies which have been lost.   Losses or Deficiencies in Public Monies are expensed during the year in which these deficiencies were discovered. | | |
|  | *Act of Grace Payments* |  |  |
| FMA Sec 130  ACT Disclosure Policy | The Treasurer authorised five Act of Grace Payments. Four of these payments related to an oversight made by ‘Burley Griffin Agency’ regarding land development applications. The fifth payment related to a delayed heritage grant payment which resulted in the recipient incurring a penalty for late payment to a third party supplier due to not receiving the grant payment on time. The land development application oversights and the delayed grant payment did not legally entitle the applicant(s)/recipient(s) to compensation, however as all were unfairly disadvantaged by ‘Burley Griffin Agency’, the Treasurer approved the Act of Grace Payments. | | |
|  | *Restructuring Expenses* | | |
|  | The Agency is undertaking a restructuring of a maintenance division that will result in the closure of the division and in 60 employees being made redundant. Restructuring is expected to be completed towards the end of the next reporting period. | | |
|  | The restructuring expense is recognised at the point in time when a formal detailed plan has been completed by ‘Burley Griffin Agency’ and a valid expectation has been raised, in those affected, that the restructuring will occur. | | |
|  | **COVID-19 Impact** | | |
|  | The ‘Stimulus Waivers’ relate to the waiver of sports ground hire fees as part of the ACT Government’s economic survival package to support the Territory’s economy during the COVID-19 pandemic. The amount of these Waivers was $xxx in 2021-22 making it material in comparison to total waivers provided by ‘Burley Griffin Agency’ of $xxx. | | |

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| **Reference** | Note 14. Other Expenses – Continued | | | | | |
|  |  | | | **2022**  **$’000** | | **2021**  **$’000** |
|  | Losses from the Sale of Assets | | |  | |  |
|  | Losses from Donated Assetsa | | |  | |  |
| AASB 102.36(e) & AASB 101.98(a) | Write-down in Inventory | | |  | |  |
|  | Restoration of Contaminated Sites Expenseb | | |  | |  |
|  | Waivers (see below for further information about Waivers) | | |  | |  |
|  | Impairment Losses | | |  | |  |
| AASB 7.20(a)(vi) | - Expected Credit Loss Expense – Accounts Receivables (also see Note 16) | | |  | |  |
| AASB 7.20(a)(vi) | - Expected Credit Loss Expense – Loans Receivables (also see Note 16) | | |  | |  |
| AASB 136.126(a) | - Expected Credit Loss Expense – Plant and Equipment (also see Note 19) | | |  | |  |
| AASB 138.118(e)(iv) | - Expected Credit Loss Expense – Intangibles (also see Note 21) | | |  | |  |
|  | Write-offs | | |  | |  |
| ACT Disclosure Policy | - Losses or Deficiencies in Public Monies | | |  | |  |
| ACT Disclosure Policy | - Irrecoverable Debts | | |  | |  |
| ACT Disclosure Policy | - Obsolete Stock | | |  | |  |
|  | Act of Grace Payments (see below for further information about Act of Grace Payments) | | |  | |  |
| AASB 101.98(b) | Restructuring Expenses c | | |  | |  |
| AASB 138.126 | Research and Development Expense – Software | | |  | |  |
|  | Losses from the Forgiveness of Liabilities | | |  | |  |
| AASB 16.53.(i) | Losses arising from sale and leaseback of leases | | |  | |  |
|  | Other Expenses | | |  | |  |
|  | **Total Other Expenses** | | |  | |  |
|  |  | | | | | |
|  | a) The increase in Losses from Donated Assets of $xxx is due to three community and heritage assets being donated to a Community Organisation. | | | | | | |
|  | b) The increase in the Restoration of Contaminated Sites Expense of $xxx is due to the costs associated in cleaning up the Landfill site resulting from the leakage of waste material. | | | | | | |
|  | c) The increase in Restructure Expenses of $xxx relates to consultants reports and the cost of dismantling and disposing of plant and equipment. This expense was not incurred in the previous reporting period. | | | | | | |
|  |  | | | | | | |
|  |  | | | | | | |
|  |  | **No.** | **2022 $’000** | | **No.** | 2021  **$’000** | |
|  | **Breakdown of Waivers** |  |  | |  |  | |
| FMA sec 131(3) | Stimulus Waivers |  |  | |  |  | |
| FMA sec 131(3) | Loan Waivers |  |  | |  |  | |
| FMA sec 131(3) | Other Waivers |  |  | |  |  | |
|  | **Total Waivers** |  |  | |  |  | |
|  |  |  |  | |  |  | |
|  |  |  |  | |  |  | |
|  | **Breakdown of Act of Grace Payments** |  |  | |  |  | |
| FMA Sec 130(9) | Payments relating to the oversight regarding land development applications |  |  | |  |  | |
| FMA Sec 130(9) | Payment relating to a delayed heritage grant payment |  |  | |  |  | |
|  | **Total Act of Grace Payments** |  |  | |  |  | |

|  |  |
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| **Reference** | **Commentary – Note 14: Other Expenses** |
|  | The breakdown shown in this note disclosure is an example only. Agencies should only include line items that are applicable to them where material. |
|  | Gains and losses arising from a group of similar transactions should be reported on a net basis. However, if the gains and losses are material they should be reported separately.  If an agency has made a net gain on investments held with the Territory Banking Account it will appear as Gains from Disposals, Derecognition and Remeasurement of Assets in Note 8. If a net loss has been made, then it should be included in this *Other Expenses* note. |
| AASB 101.35 | Revaluation decrements are expensed when a particular asset (of for-profit territory authorities), or class of assets (of not-for-profit agencies), as a whole, has been revalued downwards and there is no amount in the Asset Revaluation Surplus for that asset class for the revaluation to be offset against. |
|  | Agencies are required to assess at each reporting date whether there is an indication that non-current assets may be impaired and if so, to assess assets for impairment. Where a not-for-profit agency has an impairment loss against an asset, which has no Asset Revaluation Surplus against the class it is in, the impairment loss is recognised in the Operating Statement. However, an impairment loss, on an asset, which has an Asset Revaluation Surplus against the asset class it is in, is recognised directly against that Asset Revaluation Surplus to the extent that the impairment loss does not exceed the amount in the Asset Revaluation Surplus for that asset class. |
| AASB 116.Aus 40.1 | **Materiality** |
| AASB 136.9, 10 & 61 | The notion of materiality applies to the classification of other expenses. The line item other expenses should not be disproportionately large compared to total expenses. Within the other expenses note each material class of other expenses must be disclosed separately and the total of unclassified other expenses must not exceed 10% of Total ‘Other Expenses ‘. |
| ACT Disclosure Policy | Disclosures for waivers, write-offs, and act of grace payments are considered material by nature so disclosure of these line items in the *Other Expenses* note are required regardless of their amount. However, where a prior period error is discovered in relation to a wavier, write-off or act of grace payment, then the error would have to be material by amount for a correction of a prior period error disclosure to be included in the ‘Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error’ Note. |
|  | **Decrease in Monies due to Fraud** |
| Chief Minister’s Annual Report Directions | The Chief Minister’s Annual Report Directions requires further disclosure of fraud in the Annual Report. |
|  | **Act of Grace Payments** |
| AASB 101.7  AASB108.5  ACT Disclosure Policy | The *Financial Management Act 1996* (FMA) states that an Act of Grace Payment made by a directorate must be reported in the notes to its financial statements in the reporting period the payments are made. |
| FMA sec 130(8)  FMA sec 130(9) | The FMA states that the notes to the financial statements must indicate the amount and grounds for each Act of Grace payment. Where there are Act of Grace Payments which relate to the same event/situation, they can be grouped in one line item in the ‘Breakdown of Act of Grace Payments’ section of the ‘Other Expenses’ Note. Then the total number of individual Act of Grace Payments included in that line item are required to be disclosed for that line item. For example, in the above note, there are four individual payments relating to an oversight made by ‘Burley Griffin Agency’ regarding land development applications. Therefore this is disclosed as a single line item and would include four against the number of Act of Grace Payments for that line item. |
| FMA sec 130(10)  ACT Disclosure Policy | The FMA also states that the financial statements shall not disclose the identity of an Act of Grace Payment recipient unless disclosure was agreed to by the recipient. ACT Disclosure Policy also requires that a description of an Act of Grace Payment or group of payments be included in the financial statements of the directorate or territory authority where it makes an Act of Grace Payment. |
|  | **Waiver** |
|  | A waiver is the relinquishment of a legal claim to a debt. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Agency to recover the amount. A write-off of debts may occur for reasons other than waivers. |
| FMA sec 131 (3)  ACT Disclosure Policy | The FMA requires that a waiver relating to an amount payable to the Territory shall be reported in the notes to the financial statements of the relevant agency that relate to the year in which the right to payment was waived. |
|  | If an agency has waivers associated with a government policy, then the note should provide details of waivers by policy type. Individual recipients of waivers should not be identified unless they have agreed to such disclosure. |

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| Reference | ASSET Notes | | |
|  | Material Accounting Policies – Assets | | |
|  | **Assets – Current and Non-Current** | | |
| AASB 101.60 & 66 | Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets, which do not fall within the current classification, are classified as non-current. | | |
|  |  | | |
|  | Note 15. CASH AND Investments | | |
|  | Description and Material Accounting Policies Relating to Cash and Investments | | |
|  | *Cash and Cash Equivalents* | | |
| ACT Disclosure Policy | The Agency holds a number of bank accounts with the Westpac Bank as part of the whole-of-government banking arrangements. As part of these arrangements, the Agency does not receive any interest on these accounts, as all the accounts held are Set-Off Accounts. | | |
| AASB 107.6 & 46, AASB 7.21 | Cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in cash and cash equivalents in the Statement of Cash Flows but not in the cash and cash equivalents line on the Balance Sheet. | | |
|  | *Investments* | | |
| ACT Disclosure Policy | Investments by the Agency are made in accordance with the Treasurer’s approved ‘Burley Griffin Agency’ Investment Plan. The investment plan outlines ‘Burley Griffin Agency’s’ investment strategy and objectives in relation to investing its funds with the Territory Banking Account. The investment return objective for the ‘Burley Griffin Agency’s’ financial investments is CPI + <xx%> per annum. | | |
|  | ‘Burley Griffin Agency’ makes investments with the Territory Banking Account by acquiring units in the Territory Banking Account's financial investments portfolio. The unit value changes in response to the underlying market value of the financial investments held by the Territory Banking Account. All unitised investments are designated at Fair Value through Profit or Loss with the carrying amount measured at fair value. | | |
|  | Fair value is the price that would be received to sell the units in an orderly transaction between market participants at the measurement date and reflects the best available prices of the underlying financial investments. Subsequent to initial measurement, investments are re-measured to fair value with changes in their fair value (gains/loss) recognised in the Operating Statement (see Model Financial Statements - Note 8 *Gains from Disposals, Derecognition and Remeasurement of Assets* or and Note 14 *Other Expenses*). Distributions earned on these investments are disclosed in Note 7 *Investment and Interest Revenue*. | | |
| AASB 7.21,  AASB 7.B5(e | The investments that are not expected to be realised, sold or consumed in the normal operating cycle are classified as non-current investments with the Territory Banking Account. | | |
| AASB 13.91 | **(a) Cash and Investment Balances** | | |
|  |  | **2022**  **$’000** | 2021  **$’000** |
|  | **Current Cash and Investments** |  |  |
| AASB 107.45 | Deposits Held at Call with a Financial Institution a |  |  |
| AASB 107.45 | Cash on Hand |  |  |
| AASB 107.45 | Short-term Deposits |  |  |
| AASB 101.66 | Investments with the Territory Banking Account |  |  |
|  |  |  |  |
|  | Total Current Cash and Investments |  |  |
|  |  |  |  |
|  | **Non-Current Cash and Investments** |  |  |
| AASB 101.66 | Investments with the Territory Banking Account |  |  |
|  | **Total Non-Current Cash and** **Investments** |  |  |
|  |  |  |  |
|  | **Total Cash and Investments** |  |  |
|  | a) The increase in ‘Deposits Held at Call with a Financial Institution’ of $xxx was due to a combination of factors including, an increase in proceeds from the sale of property, plant and equipment, a decrease in the amount of property, plant and equipment purchased, together with an increase in capital contributions received from the ACT Government. | | |
| **Reference** | Note 15. Cash and Investments – Continued | | |
|  |  | 2022  $’000 | 2021  $’000 |
|  | Split of Cash and Investments |  |  |
| ACT Disclosure Policy | Current Cash and Cash Equivalents |  |  |
|  | Total Cash and Cash Equivalents |  |  |
|  |  |  |  |
| ACT Disclosure Policy | Current Investments |  |  |
| ACT Disclosure Policy | Non-Current Investments |  |  |
|  | Total Investments |  |  |
|  |  |  |  |
|  | Total Cash and Investments |  |  |
|  |  |  |  |
| AASB 107.45 | **(b) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet.** | | |
|  | Total Cash and Cash Equivalents Recorded in the Balance Sheet |  |  |
|  | Bank Overdraft |  |  |
|  | **Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows** |  |  |
| AASB 1054.16 | **(c) Reconciliation of the Operating Result to Net Cash Inflows from Operating Activities.** |  |  |
|  | Operating Result |  |  |
|  | **Add/(Less) Non-Cash Items** |  |  |
|  | Impairment Loss of Non-Current Assets |  |  |
|  | Depreciation of Property, Plant and Equipment |  |  |
|  | Amortisation of Intangibles |  |  |
|  | Assets Transferred or Contributed |  |  |
|  | (Gain)/Loss on the Revaluation of Investment Properties |  |  |
|  | Forgiveness of Liabilities |  |  |
|  | Donated Assets |  |  |
|  | Waivers and Irrecoverable Loans Receivable |  |  |
|  | **Add/(Less) Items Classified as Investing or Financing** |  |  |
|  | Net Loss/(Gain) on Disposal of Non-Current Assets |  |  |
|  | Gain on Investments |  |  |
|  | Share of Profit from Joint Venture (Not received as a distribution) |  |  |
|  | **Cash Before Changes in Operating Assets and Liabilities** |  |  |
|  |  |  |  |
|  | **Changes in Operating Assets and Liabilities** |  |  |
|  | (Increase)/Decrease in Receivables and Contract Assets |  |  |
|  | (Increase)/Decrease in Inventories |  |  |
|  | (Increase)/Decrease in Contract Assets |  |  |
|  | (Increase)/Decrease in Other Assets |  |  |
|  | Increase /(Decrease) in Payables and Contract Liabilities |  |  |
|  | Increase/(Decrease) in Contract Liabilities |  |  |
|  | Increase/(Decrease) in Provisions |  |  |
|  | Increase/(Decrease) in Other Liabilities |  |  |
|  | **Net Changes in Operating Assets and Liabilities** |  |  |
|  | **Net Cash Inflows from Operating Activities** |  |  |

|  |  |  |  |  |  |
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| **Reference** | **Note 15. Cash and Investments – Continued** | | | | |
|  |  | | | 2022  $’000 | 2021  $’000 |
| AASB 107.44(a) | **(d) Non-Cash Financing and Investing Activities** | | |  |  |
|  | Acquisition of Assets by Assuming Liabilities or by Means of a Lease | | |  |  |
| AASB 107.44-44E | **(e) Reconciliation of liabilities arising from financing activities.** | | | | |
|  |  | **Interest Bearing Liabilities** | **Lease Liabilities** | **Service Concession Arrangement Financial Liability** | **Provision for Dividend** |
|  |  | **$’000** | **$’000** | **$’000** | **$’000** |
|  | **2022** |  |  |  |  |
|  | Carrying Amount at the Beginning of the Reporting Period |  |  |  |  |
|  | Cash Flow Changes: |  |  |  |  |
|  | - Cash Received |  |  |  |  |
|  | - Cash Paid |  |  |  |  |
|  | Non-Cash Changes: |  |  |  |  |
|  | - New Leases |  |  |  |  |
|  | - New Service Concession Arrangement Financial Liability |  |  |  |  |
|  | - Transfers to / (from) another ACT Government agency |  |  |  |  |
|  | - Other Movements |  |  |  |  |
|  | **Carrying Amount at the End of the Reporting Period** |  |  |  |  |
|  |  |  |  |  |  |
|  | **2021** |  |  |  |  |
|  | Carrying Amount at the Beginning of Reporting Period |  |  |  |  |
|  | Cash Flow Changes: |  |  |  |  |
|  | - Cash Received |  |  |  |  |
|  | - Cash Paid |  |  |  |  |
|  | Non-Cash Changes: |  |  |  |  |
|  | - New Leases |  |  |  |  |
|  | - New Service Concession Arrangement Financial Liability |  |  |  |  |
|  | - Transfers to / (from) another ACT Government agency |  |  |  |  |
|  | - Other Movements |  |  |  |  |
|  | **Carrying Amount at the End of the Reporting Period** |  |  |  |  |
|  |  |  |  |  |  |
|  |  | | | | |
|  | Commentary – Note 15: Cash and Investments | | | | |
|  | **Definition of Cash** | | | | |
| AASB 107.6 | Cash is defined in AASB 107 *Statement of Cash Flows* as cash on hand and demand deposits. Cash on hand means notes and coins held and demand deposits are deposits held at call with a financial institution. | | | | |
| AASB 107.6 | Cash equivalent assets are short-term, highly liquid investments that are readily convertible to known amounts of cash and are not subject to significant risk of movements in value. | | | | |

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| **Reference** | **Commentary – Note 15: Cash and Investments – Continued** |
|  | **Whole-of-Government Banking Arrangements** |
|  | Agencies can have either set-off or non set-off bank accounts through the Territory Banking Account with Westpac as part of the Whole-of-Government Banking Arrangement. Agencies that have set-off bank accounts will not earn interest on the funds in those accounts. However, agencies that have non set-off bank accounts will earn interest on the funds in those accounts which should be recorded as interest revenue in Note 7 *Investment and Interest Revenue*. |
|  | **Trust Account Balances** |
| FMA Section 49 | Any monies held in trust by an agency should not be included in the agency’s cash balance. Monies held in trust are disclosed by way of note only (see Note 37 *Third Party Monies*). |
|  | Investments |
| ACT Treasury Directorate Finance Memorandum 2006/11 | To facilitate an efficient investment management arrangement a centralised and unitised investment administration structure is provided by Treasury, through the Territory Banking Account, that provided different investment options to meet the specific objectives of those agencies that have the approval to invest their funds. Individual Investment Plans for each investing agency, describing their investment strategy and objectives, are required to be approved by the Treasurer. |
|  | Agency investors have ‘Investment Unit Holdings’ with the Territory Banking Account. |
|  | Different investment options are provided by the Territory Banking Account to Agencies in order to meet the specific objectives of those agencies. |
|  | Note that where an agency does not have any current or non-current investments, the investment part of this note disclosure is not required. |
|  | **Cash Flow Reconciliation** |
| AASB 107.44A-44E | Agencies preparing financial statements are required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Where relevant, agencies should include these additional disclosures in its financial statements i.e. a reconciliation of the opening and closing balance of liabilities arising from financing activities. |
|  | Note 16. Receivables and Contract Assets |
|  | Description and Material Accounting Policies Relating to Receivables and Contract Assets |
|  | *Accounts Receivables* |
| AASB 7.21 | Accounts receivable (including trade receivables and other trade 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 invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment. |
|  | *Impairment loss – Accounts Receivables* |
| ASB 9.5.5.17 | The allowance for expected credit losses represents the amount of trade receivables and other trade receivables the Agency estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. An entity shall measure expected credit losses of a financial instrument in a way that reflects:  (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;  (b) the time value of money; and  (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions |
|  | The amount of the expected credit loss is recognised in the Operating Statement (see Note 14 *Other Expenses*). Where ‘Burley Griffin Agency’ has no reasonable expectation of recovering an amount owed by a debtor and ceases action to collect the debt, as the cost to recover the debt is more than the debt is worth, the debt is written-off by directly reducing the receivable against the loss allowance. |

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| **Reference** | Note 16. Receivables and Contract Assets – Continued | | | | |
| AASB 9.5.5.8, 5.5.15 & B5.35 Financial Framework Memo 2018/23 *AASB 9* *Financial Instruments - Further Implementation Guidance to Agencies*  AASB 7.35(c)  AASB 7.35F  AASB 7.35G | The allowance for expected credit losses of accounts receivables is measured at the lifetime expected credit losses at each reporting date. ‘Burley Griffin Agency’ has established a provision matrix based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. | | | | |
| Loss rates are calculated separately for groupings of customers with similar loss patterns. ‘Burley Griffin Agency’ has determined there is <one> material group for measuring expected credit losses based on the sale of services and the sale of goods reflecting customer profiles for revenue streams. The calculations reflect historical observed default rates calculated using credit losses experienced on past sales transactions during the last <3> years preceding 30 June 2022. The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables. | | | | |
| ACT Disclosure Policy  Financial Framework Memo 2018/23  AASB 9 Financial Instruments –Guidance to Agencies. | Inter-agency loans and receivables between ACT Government agencies are expected to have low credit risks. Consequently ACT Government policy is that directorates, territory authorities and territory-owned corporations consolidated into the whole-of-Government financial statements will generally not measure any loss allowance for receivables collectible from other ACT Government agencies consolidated into the whole-of-government financial statements. | | | | |
|  | The Agency has made a significant estimate in the calculation of the allowance for impairment losses for receivables in the Financial Statements. This estimate is based on a number of categorisations of receivables and the use of an expected credit loss provision matrix. These categorisations are considered by management to be appropriate and accurate. | | | | |
|  | *Loans Receivable* | | | | |
|  | ‘Burley Griffin Agency’ provides concessional loans under the ‘Example Home Loan Scheme’ to ACT residents that meet certain eligibility criteria. The Scheme commenced in 2019 and was set up to assist low income households in achieving home ownership. The concessional loans have a low interest rate and the repayments are principal and interest. The loans have a term of 30 years, and repayments commence at the start of each loan. | | | | |
|  | ‘Burley Griffin Agency’ does not intend on selling the loans to recover the principal. On initial recognition, the Concessional Loans Receivable are measured at their fair value plus any transaction costs. The difference between the loan’s nominal value at the concessional rate and fair value at the market rate is recognised as a Concessional Loan Discount Expense. Subsequent to initial recognition Concessional Loans Receivable are measured at amortised cost. | | | | |
|  | *Impairment loss – Loans Receivables* | | | | |
|  | For loans receivable, ‘Burley Griffin Agency’ applied the simplified approach under AASB 9, which uses a lifetime expected credit loss for all loans receivable. A provision matrix, based on its historical credit loss experience adjusted for forward looking factors, is used to calculate the expected credit loss. | | | | |
|  | *Receivables for Finance Leases as Lessor* | | | | |
| AASB 16.61  AASB 16.62 | ‘Burley Griffin Agency’ has excess capacity in leased storage facility properties under a head lease. As such, ‘Burley Griffin Agency’ has sub-leased this excess capacity for the remaining life of the head lease at the same rate as the Agency is paying under the head lease. ‘Burley Griffin Agency’ accounts for the head lease and sub-lease separately. The sub‑lease under this arrangement has been classified as a finance lease, as they substantially transfer all the risks and rewards of ownership from ‘Burley Griffin Agency’ to the lessee. 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. As such, the right-of-use asset has been derecognised and a finance lease receivable recognised in its place. This arrangement is due to expire in 2035. | | | | |
|  | *Contract Assets* | | | | |
| AASB 15.117 | Contract assets relate to ‘Burley Griffin Agency’s’ right to consideration in exchange for works completed but not invoiced at the reporting date in respect of Facilities Management Services and Property Management Services it provides to ACT and non-ACT Government customers. The benefits of Property Management Services are received and consumed by the customers of ‘Burley Griffin Agency’ on a monthly basis. However the amount is only invoiced to customers at the start of the following month thereby resulting in the Agency recognising a contract asset at year end for services provided in June 2022. Facilities Management Services are invoiced once the maintenance work is completed. | | | | |
| AASB 15.107 | The amounts billed to customers are based on the achievement of various milestones established in the contract, therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. | | | | |
| **Reference** | **Note 16. Receivables and Contract Assets – Continued** | | | | |
|  | When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Agency presents the contract as a contract asset, unless the Agency’s rights to that amount of consideration are unconditional, in which case a receivable is recognised. | | | | |
| AASB 15.95 | Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard, otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Agency that will be used to satisfy performance obligations in the future and the costs are expected to be recovered, then they are capitalised as contract costs assets and released to operating statement on an systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates. | | | | |
|  | **Impact of COVID-19** | | | | |
|  | ’Burley Griffin Agency’s’ Expected Credit Losses have increased reflecting changes in the ability of customers to settle their debts. | | | | |
|  |  | 2022  $’000 | 2021  $’000 | | |
|  | **Current Receivables and Contract Assets** |  |  | | |
| AASB 101.78(b)  AASB 9.5.1.3 & 5.2.1 | Trade Receivables a |  |  | | |
| AASB 9.5.5.1 | Less: Expected Credit Loss Allowance |  |  | | |
| AASB 101.78(b) | Other Trade Receivables |  |  | | |
| AASB 9.5.5.1 | Less: Expected Credit Loss Allowance |  |  | | |
| AASB 15.116(a) | Work Performed on Facilities Management ServiceContracts with Customers not yet Invoiced |  |  | | |
| AASB 15.113(b) | Less: Expected Credit Loss Allowance |  |  | | |
| AASB 15.116(a) | Work Performed on Property Management Service Contracts with Customers not yet Invoiced |  |  | | |
| AASB 101.78(b) | Accrued Revenue |  |  | | |
| AASB 101.78(b) | Loans Receivable b |  |  | | |
| AASB 15.113(b) | Less: Expected Credit Loss Allowance |  |  | | |
| Interpretation 1031.9 | Net GST Receivable |  |  | | |
| AASB 15.113(b) | Receivables for Finance Leases as Lessor |  |  | | |
| AASB 101.78(b) | Other Current Receivables |  |  | | |
|  | **Total Current Receivables and Contract Assets** |  |  | | |
|  |  |  |  | | |
|  |  | **2022** | **2021** | | |
|  |  | **$’000** | **$’000** | | |
|  | **Non-Current Receivables and Contract Assets** |  |  | | |
| AASB 101.78(b)  AASB 9.5.1.3 & 5.2.1 | Trade Receivables a |  |  | | |
| AASB 9.5.5.1 | Less: Expected Credit Loss Allowance |  |  | | |
| AASB 15.116(a) | Work Performed on Facilities Management ServicesContracts with Customers not yet Invoiced |  |  | | |
| AASB 15.113(b) | Less: Expected Credit Loss Allowance |  |  | | |
| AASB 101.78(b) | Loans Receivable b |  |  | | |
| AASB 15.113(b) | Less: Expected Credit Loss Allowance |  |  | | |
|  | Receivables for Finance Leases as Lessor |  |  | | |
| AASB 101.78(b) | Other Non-Current Receivables |  |  | | |
|  | **Total Non-Current Receivables and Contract Assets** |  |  | | |
|  | **Total Receivables and Contract Assets** |  |  | | |
|  |  | | | | |
| AASB 7.35I | a) The increase in Trade Receivables of $xxx is due to a large number of services being provided late in the reporting period, in comparison with last year. Most of these services were invoiced in June. | | | | |
| AASB 7.35I | b) The increase in Loans Receivable of $xxx is mainly due to the issue of more loans throughout the reporting period. | | | | |
| **Reference** | **Note 16. Receivables and Contract Assets – Continued** | | | | |
|  | *Material Changes in Contract Asset Balances* | | | | |
| AASB 15.118 | The contract asset balance has increased significantly during the year because of additional works being undertaken in June 2022. | | | | |
|  |  | **2022** | | **2021** | |
|  |  | **$’000** | | **$’000** | |
|  | **Split of Receivables and Contract Assets** | | | | |
| ACT Disclosure Policy | Current Receivables |  | |  | |
| ACT Disclosure Policy | Non-Current Receivables |  | |  | |
| AASB 7.35K | **Total Receivables** |  | |  | |
|  |  |  | |  | |
| ACT Disclosure Policy | Current Contract Assets |  | |  | |
| ACT Disclosure Policy | Non-Current Contract Assets |  | |  | |
| AASB 7.35K | **Total Contract Assets** |  | |  | |
|  | **Total Receivables and Contract Assets** |  | |  | |
|  |  | | | | |
|  | Reconciliation of Contract Assets | | | | |
| AASB 15.116(a) | Opening Balance of Contract Assets | | | | |
| AASB 15.118 | Add: Additional costs to be recovered from customers | | | | |
| AASB 15.118 | Less: Contract Assets Transferred to Receivables | | | | |
| AASB 15.118 | Less: Contract Assets Transferred in Income | | | | |
| AASB 15.113(b) | Less: Impairment Allowance | | | | |
| AASB 15.116(a) | Closing Balance of Contract Assets |  | | |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference** | Note 16. Receivables and Contract Assets – ContinueD | | | | | | | | | | |
|  | **Expected Credit Loss Allowance Provision Matrix** | | | |
| AASB7.35M-N,  B8H-J | **Ageing of Receivables and Contract Assets** | | | |
|  |  | | | | | | | | | | |
|  |  | **Accounts Receivable** | | | **Loans Receivable** | | | **Contract Assets** | | | |
|  |  | **Estimated total gross carrying amount at default** | **Expected credit loss**  **Allowance** | **Expected credit loss rate** | **Estimated total gross carrying amount at default** | **Expected credit loss**  **Allowance** | **Expected credit loss rate** | **Estimated total gross carrying amount at default** | **Expected credit loss**  **Allowance** | **Expected credit loss rate** |
|  |  | **‘$000** | **‘$000** | **%** | **‘$000** | **‘$000** | **%** | **‘$000** | **‘$000** | **%** |
|  | **30 June 2022** |  |  |  |  |  |  |  |  |  |
|  | Not Overdue |  |  |  |  |  |  |  |  |  |
|  | 1-30 Days Past Due |  |  |  |  |  |  |  |  |  |
|  | 31-60 Days Past Due |  |  |  |  |  |  |  |  |  |
|  | 61-90 Days Past Due |  |  |  |  |  |  |  |  |  |
|  | >91 Days Past Due |  |  |  |  |  |  |  |  |  |
|  | **Total** |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  | **30 June 2021** |  |  |  |  |  |  |  |  |  |
|  | Not Overdue |  |  |  |  |  |  |  |  |  |
|  | 1-30 Days Past Due |  |  |  |  |  |  |  |  |  |
|  | 31-60 Days Past Due |  |  |  |  |  |  |  |  |  |
|  | 61-90 Days Past Due |  |  |  |  |  |  |  |  |  |
|  | >91 Days Past Due |  |  |  |  |  |  |  |  |  |
|  | **Total** |  |  |  |  |  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | **Note 16: Receivables and Contract Assets – Continued** | | |
|  |  | 2022  $’000 | 2021  $’000 | |
| AASB 7.35H | **Reconciliation of the Loss Allowance** |  |  | |
|  | **Accounts Receivable** |  |  | |
|  | Allowance for Impairment Losses at the Beginning of the Reporting Period |  |  | |
|  | Reduction in Allowance from Amounts Recovered During the Reporting Period |  |  | |
| AASB 9.5.4.4 | Reduction in Allowance from Amounts Written off During the Reporting Period |  |  | |
| AASB 9.5.5.8 | Expected Credit Loss Expense |  |  | |
|  | **Allowance for Impairment Losses at the End of the Reporting Period** |  |  | |
|  |  |  |  | |
|  | **Loans Receivable** |  |  | |
|  | Allowance for Impairment Losses at the Beginning of the Reporting Period |  |  | |
|  | Reduction in Allowance from Amounts Recovered During the Reporting Period |  |  | |
| AASB 9.5.4.4 | Reduction in Allowance from Amounts Written off During the Reporting Period |  |  | |
| AASB 9.5.5.8 | Expected Credit Loss Expense |  |  | |
|  | **Allowance for Impairment Losses at the End of the Reporting Period** |  |  | |
|  |  |  |  | |
|  | **Contract Assets** |  |  | |
|  | Allowance for Impairment Losses at the Beginning of the Reporting Period |  |  | |
|  | Reduction in Allowance from Amounts Recovered During the Reporting Period |  |  | |
| AASB 9.5.4.4 | Reduction in Allowance from Amounts Written off During the Reporting Period |  |  | |
| AASB 9.5.5.8 | Expected Credit Loss Expense |  |  | |
|  | **Allowance for Impairment Losses at the End of the Reporting Period** |  |  | |
|  |  |  |  | |
| AASB 7.35K | The maximum exposure to credit risk at the end of the reporting period for Receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table above. | | | |
|  | **Lessor of Finance Leases** | | | |
| AASB 16.94 | Maturity analysis of lease receivable showing the undiscounted lease payments to be received after reporting date for finance leases: | | | |
|  | < 1 year |  |  | |
|  | Between 1 – 2 years |  |  | |
|  | Between 2 – 3 years |  |  | |
|  | Between 3 – 4 years |  |  | |
|  | Between 4 – 5 years |  |  | |
|  | Greater than 5 years |  |  | |
|  | **Total Lease Receivables** |  |  | |
|  | Unguaranteed Residual Value - Undiscounted |  |  | |
|  | Less: Unearned Finance Income |  |  | |
|  | **Net Investment in the Finance Lease** |  |  | |

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| --- | --- |
| **Reference** | **Commentary – Note 16: Receivables and Contract Assets** |
|  | The model provides the minimum disclosure requirements under AASB 9, with the breakdown shown in this note disclosure being an example only. Agencies need to adapt this note to fit their circumstances and materiality. Agencies should only include line items that are applicable to them where material. For example, where an agency does not have a material amount of contract assets then contract assets should not be included in this note. Where this is the case, this note should be titled ‘Receiables’ and would only include receivables. |
|  | A ‘Reconciliation of the Loss Allowance’ needs to be included for each type of receivable/contract asset (ie accounts receivable, loans receivable, contracts assets etc). However, where these reconcilitations are not material they do not need to be separately disclosed or could be combined. |
|  | **Receivables** |
| ACT Disclosure Policy | An agency is not required to include disclosures associated with ageing of their receivables where it has no receivables that are past due or impaired. They can simply state that ‘No receivables are past due or impaired.’ |
| AASB 9B5.5.35  AASB 9B5.5.51-52 | Agencies need not undertake an exhaustive search for information but should consider all reasonable and supportable information that is available without undue cost or effort and that is relevant to the estimate of expected credit losses, including the effect of expected prepayments. The information used should include factors that are specific to the borrower, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Agencies may use various sources of data, that may be both internal (agency-specific) and external. Possible data sources include internal historical credit loss experience, internal ratings, credit loss experience of other agencies and external ratings, reports and statistics. Agencies that have no, or insufficient, sources of entity-specific data may use peer group experience for the comparable financial instrument (or groups of financial instruments). |
|  | The agency has a net Goods and Services Tax (GST) receivable. A net GST receivable will be reported in most Controlled financial statements as no GST is payable to the Australian Taxation Office for Controlled Recurrent Payments funding. However, agencies will receive input tax credits for most expenses incurred. The net GST receivable should be excluded from the calculation deriving the allowance for the expected credit loss because of the assessed low credit risk.  If a net GST payable arises then this amount would be disclosed at Note 24 *Payables* *and Contract Liabilities* rather than in this receivables note. |
|  | **Contract Assets** |
| AASB 15.105 | When either party to a contract has performed, an agency shall present the contract in the Balance Sheet as a contract asset or a contract liability, depending on the relationship between the agency’s performance and the customer’s payment. Any unconditional rights to consideration are presented as a receivable separately from contract assets. |
| AASB 15 Appendix A  Defined terms | A contract asset is defined as an agency’s right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity’s future performance). |
|  | Common contract asset balances are items such as services performed but not yet invoiced for contracts which are paid in arrears. |
| AASB 15.105  AASB 15.116(a) | Where an agency performs by transferring either goods or services to a customer before the payment is due or before the customer pays for consideration, then these are to be classified as contract assets. Contract assets exclude receivables from contracts with customers. Agencies must assess a contract asset for impairment in accordance with AASB 9. |
| AASB 15.117 | Agencies must disclose contract assets separately from contract receivables. |
| AASB 15.116(a) | Agencies should disclose the opening and closing balances of contract assets. |
| AASB 15.118  AASB 15.119(a)  AASB 15.119(b) | Agencies shall explain how the timing of the satisfaction of performance obligations relates to the typical timing of payment and the effect that those factors have on the contract asset. Quantitative information may be used. |
|  | Agencies should explain significant changes in the balances of contact assets. Reasons for this change may include:   * business combinations; * cumulative catch-ups, such as those arising from a change in the measure of progress, a change in an estimate of the transaction price or a modification; * impairment of contract assets; * a change in timeframe – of contact assets becoming a receivable; and * a change in timeframe – for performance obligations to be satisfied. |

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| **Reference** | Commentary – Note 16: Receivables and Contract Assets – Continued |
|  | *Impairment of Contract Assets* |
|  | Contract assets are recognised and measured in accordance with AASB 15, however for impairment testing purposes they are covered by AASB 9 and therefore are assessed for impairment using the expected credit loss model. |
| AASB 15.113(b) | Disclosure of impairment of contract assets is disclosed separately from impairment of other financial assets. |
| AASB 15.95 | *Contract Cost Asset* |
|  | AASB 15 requires incremental costs to obtain a contract and costs to fulfil a contract to be capitalised as an asset and released as the goods/services are transferred to the customer where certain conditions are met. |
|  | When the agency has recognised an asset for costs to obtain or fulfil a contract with a customer, the agency is required to disclose the closing balance by main asset category (e.g. costs to obtain contracts, set up costs, pre-contract costs etc). |
|  | It is unlikely that agencies would have material incremental costs to obtain a contract since this is generally costs such as commission. |
|  | In relation to costs to fulfil a contract, agencies should consider whether costs which have been incurred on a different basis from the recognition of revenue meet the criteria to be capitalised under AASB 15. Note that this is not an accounting policy choice, if the criteria are met then a contract cost must be recognised. |
| AASB 7.31-42 | AASB 7 *Financial Instruments: Disclosures* requires quantitative and qualitative disclosures for each type of risk (i.e. credit risk, liquidity risk and market risk) to evaluate the nature and extent of risks from financial instruments to which the agency is exposed, including financial assets that are either past due or impaired (see Note 31 *Financial Instruments*). |
|  | **Impact of COVID-19 on Expected Credit Losses** |
|  | It is likely Expected Credit Losses (ECLs) will increase to reflect changes in the ability of customers to settle their debts. Material changes to the method of calculating ECLs will need to be appropriately disclosed.   * ECLs (ie provisions) against receivables may increase substantially; and * agencies need to consider the appropriateness of their existing methodologies for predicting future ECLs. |
|  | Note 17. Inventories |
|  | Description and Material Accounting Policies relating to Inventories |
|  | *Inventory* |
|  | Inventory held by ‘Burley Griffin Agency’ is made up of land, as well as environmental merchandising which it sells to tourists visiting Canberra and to the ACT community. ‘Burley Griffin Agency’ acquires, develops and prepares land and hold this land as inventory. Raw materials are purchased by ‘Burley Griffin Agency’ and it then produces the merchandise in-house by agency staff. |
| AASB 102.36(a),  AASB 102.9,  AASB 102.25 | Inventories held for sale are valued at the lower of cost and net realisable value. The cost of land inventory includes the value of the land itself along with all direct costs incurred in developing the land. The cost is assigned to land inventory on a specific identification of cost basis given this inventory is high value and low volume. The cost of ACT merchandising inventory comprises the purchase price of inventories as well as transport, handling and other costs directly attributable to the acquisition of inventories. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The cost of the ACT environmental merchandising inventories is assigned using the <first-in, first‑out> OR <weighted average> method given they are high volume, low value inventory items. Net realisable value for land and merchandising inventory is determined using the estimated sales proceeds in the ordinary course of business less the estimated costs of completion and less the costs incurred in marketing, selling and distribution to customers. |
| AASB 102.Aus9.1 | Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential with the carrying amount being recorded in the Operating Statement as an expense once the inventories are distributed. |
|  | Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition. Current replacement cost is the cost ‘Burley Griffin Agency’ would incur to acquire the asset. |

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| **Reference** | Note 17. Inventories – Continued | | | |
|  | *Cost of Goods Sold/Distributed* | | | |
|  | ‘Burley Griffin Agency’ acquires and then develops residential land, commercial land, industrial land and community land. While the land is being developed it is recognised as either inventory held for sale or inventory held for distribution. | | | |
| AASB 102.34 | Inventories which are held for sale are recognised as an expense in the same period that the related income is recognised. Inventories held for distribution are expensed at the time when they are distributed. An expense is recognised for all losses of inventories and any write down of inventories in the period the loss or write down occurs. The amount of the expense is the difference between the carrying amount of the inventories and its net realisable value. Where there is an increase in net realisable value of inventories that have previously been written down, this increase is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. | | | |
|  |  | **2022**  **$’000** | **2021**  **$’000** | |
|  | **Current Inventories** |  |  |
|  | **Current Inventories Held for Sale** |  |  |
| AASB 102.36(b) | Supplies and Consumables – Cost |  |  |
| AASB 102.36(b) | Work In Progress – Cost |  |  |
| AASB 102.36(b) | Finished Goods |  |  |
|  | * + Cost |  |  |
|  | * + Net Realisable Value |  |  |
|  | Purchased Items |  |  |
|  | * + Cost |  |  |
| AASB 102.9 & 36(b) | * + Net Realisable Value |  |  |
|  | **Total Current Inventories Held for Sale** |  |  |
|  |  |  |  |
|  | **Current Inventories Held for Distribution** |  |  |
| AASB 102.Aus 36.1(b) | Purchased Items – Cost |  |  |
|  | Loss of Service Potential |  |  |
|  | **Total Current Inventories Held for Distribution** |  |  |
|  | **Total Current Inventories** |  |  |
|  |  |  |  | |
|  | **Non-Current Inventories** |  |  | |
|  | **Non-Current Inventories Held for Sale** |  |  | |
| AASB 102.36(b) | Work In Progress – Cost |  |  | |
| AASB 102.36(b) | Finished Goods |  |  | |
|  | * + Cost |  |  | |
|  | * + Net Realisable Value |  |  | |
|  | **Total Non-Current Inventories Held for Sale** |  |  | |
| AASB 102.36(b) | **Total Inventories** |  |  | |
|  |  |  |  | |
|  | **Reconciliation of Inventory** |  |  | |
|  | **Cost of Sales** |  |  | |
|  | Opening Inventory at the beginning of the Financial Year |  |  | |
|  | - Purchases |  |  | |
|  | - Cost of Sales |  |  | |
|  | - Write-down in Inventory |  |  | |
|  | **Closing Inventory at the End of the Financial Year** |  |  | |

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| **Reference** | Note 17. Inventories – Continued | | |
|  |  | **2022**  **$’000** | **2021**  **$’000** |
|  | **Cost of Distribution** |  |  |
|  | Opening Inventory at the beginning of the Financial Year |  |  |
|  | - Purchases |  |  |
| AASB 102.Aus 36.1(c) | - Cost of Distribution |  |  |
|  | - Loss of Service Potential |  |  |
|  | **Closing Inventory at the End of the Financial Year** |  |  |
|  |  |  |  |
|  |  |  |  |
| AASB 102.36(d) | Cost of Sales and Distributions |  |  |
|  | Commentary − Note 17: Inventories | | |
|  | **Definition** | | |
| AASB 102.6 | Inventories are assets:   * held for sale in the ordinary course of business; * in the process of production for such sale; or * in the form of materials or supplies to be consumed in the production process or in the rendering of services. | | |
| AASB 102.Aus 6.1 | Inventories held for distribution are assets:   * held for distribution at no or nominal consideration in the ordinary course of operations; * in the process of production for distribution at no or nominal consideration in the ordinary course of operations; or * in the form of materials or supplies to be consumed in the production process or in the rendering of services at no or nominal consideration. | | |
|  | **Measurement** | | |
| AASB 102.9 & Aus 9.1 | Under AASB 102 *Inventories*, inventories are to be measured at the lower of cost or net realisable value. Not‑for-profit agencies with ‘inventories held for distribution’ are to measure them at cost, adjusted when applicable for any loss of service potential. Agencies shall disclose the basis on which any loss of service potential of inventories held for distribution is assessed or the bases when more than one basis is used. | | |
| AASB 102.36(b) & Aus 36.1(b)  AASB 102.37 | **Classification**  AASB 102 states that each category of inventories should be further sub-classified in a manner appropriate to the agency’s operations. Common sub-classifications are merchandise, production supplies, raw materials, work in progress and finished goods. | | |
|  | **Inventories Pledged as Security** | | |
| AASB 102.36(h) & Aus 36.1(g) | AASB 102 also requires specific disclosure of the carrying amount of inventories pledged specifically and separately from other assets of the agency as security for liabilities, and the nature of the security. This is also required where an agency holds ‘inventories held for distribution’. | | |
|  | **Cost of Sales** | | |  |  |
| AASB 102.38 | Cost of sales generally consists of those costs previously included in the measurement of inventory that has now been sold and unallocated production overheads and abnormal amounts of production costs of inventories. The circumstances of the entity may also warrant the inclusion of other amounts, such as distribution costs. | | |
|  | **Territory Authority Commentary** | | |
|  | For- profit territory authorities that possess ‘inventories held for distribution’ will need to measure them at the lower of cost or net realisable value, rather than at cost adjusted for any service loss potential, as the latter option only applies to not-for-profit agencies. | | |

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| **Reference** | Note 18. Non–Current Assets Held For Sale | | | | | | | | | | |
|  | **Description and Material Accounting Policies Relating to Non-Current Assets Held for Sale** | | | | | | | | | | |
| AASB 5.41 | The Agency has three investment properties that are expected to be sold during the middle of the next reporting period. The Agency is also disposing of plant and equipment as a result of a restructuring of its maintenance division. | | | | | | | | | | |
| AASB 5.6 & 7 | Non-current assets held for sale are assets that are available for immediate sale in their present condition, and their sale is highly probable. | | | | | | | | | | |
| AASB 5.15, 20 & 25 | Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less cost to sell (Note 14 *Other Expenses*). Assets held for sale are not depreciated. | | | | | | | | | | |
|  |  | | | | 2022  $’000 | | | 2021  $’000 | | | |
| AASB 5.38 | Plant and Equipment Held for Salea | | | |  | | |  | | | |
|  | Investment Property Held for Saleb | | | |  | | |  | | | |
|  | **Total Non-Current Assets Held for Sale** | | | |  | | |  | | | |
|  |  | | | |  | | |  | | | |
|  | a) The increase in plant and equipment held for sale of $xxx can be attributed to the agency disposing of plant and equipment as a result of a restructuring of its maintenance division.  b) The increase in investment properties held for sale of $xxx was due to no investment properties being held for sale at the end of the previous reporting period. | | | | | | | | | | |
|  |  | | | | | | | | | | |
|  | **Fair Value Hierarchy** | | | | | | | | | | |
|  | Details of the Agency’s assets held for sale at fair value and information about the Fair Value Hierarchy as at 30 June is as follows: | | | | | | | | | | |
|  |  | **Classification According to Fair Value Hierarchy 2022** | | | | | | | | | |
|  |  | **Level 2** | | Level 3 | | | | | **Total** | |
| AASB 13.93 (a) & (b)  AASB 13.94 | **Non-Current Assets Held for Sale at Fair Value** | **$’000** | | **$’000** | | | | | **$’000** | |
|  | Plant and Equipment |  | |  | | | | |  | |
|  | Investment Property |  | |  | | | | |  | |
|  |  |  | |  | | | | |  | |
|  |  |  | |  | |  | | | | |  | |
|  |  |  | | | | | | | | | |
|  |  | **Classification According to Fair Value Hierarchy 2021** | | | | | | | | | |
|  |  | Level 3 | | | | | Total | | | | |
| AASB 13.93 (a) & (b)  AASB 13.94 | **Non-Current Assets Held for Sale at Fair Value** | **$’000** | | | | | **$’000** | | | | |
|  | Plant and Equipment |  | | | | |  | | | | |
|  |  |  | | | | |  | | | | |
|  |  |  |  | |  | | | | |  | |
|  | The Fair Value Hierarchy is discussed in Note 19 *Property, Plant and Equipment*. | | | | | | | | | | |
| AASB 13 .93(c)& (e)(iv) | **Transfers Between Categories** | | | | | | | | | | |
|  | There were no transfers between Levels 2 and 3 during the current and previous reporting period. | | | | | | | | | | |
|  | **Valuation techniques, inputs and processes** | | | | | | | | | | |
| AASB 18.93(d) | Level 2 fair values of assets held for sale are derived using the market approach. These assets have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets. Assets held for sale represent a non-recurring fair value measurement. | | | | | | | | | | |

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| **Reference** | **Commentary – Note 18: Non–Current Assets Held for Sale** | |
| AASB 5.7 | For an asset to be classified as held for sale it must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and the sale must be highly probable. | |
| AASB 5.8 | For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except where circumstances beyond the agency’s control extend the period of sale, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. | |
|  | **Fair Value Concepts and Disclosures**  Fair value concepts and disclosures relevant to AASB 13 *Fair Value Measurement* are discussed in detail in the commentary to Note 19 *Property, Plant and Equipment*.  If all Non-Current Assets held for sale are in the same fair value category, then a sentence to that effect could be used for disclosure rather than a tabular presentation. | |
|  | | Note 19. Property, Plant and Equipment |
|  | | **Description and Material Accounting Policies relating to Property, Plant and Equipment** |
| ACT Accounting Policy | | Property, Plant and Equipment includes the following six classes of assets. |
| * **Land** includes leasehold land held by the Agency, but excludes land under infrastructure. |
|  | | * **Buildings** are structures that are separately identifiable from the land they are constructed upon. Buildings include office buildings, warehouses, light rail and bus depots and land improvements*.* Land improvementsinclude parking lots, retaining walls and purpose built children’s playground structures adjoining a building.Right-of-use building assets and service concession building assets are included within the building asset class. This includes the Public Private Partnership arrangement for the Court House being included as a right-of-use asset building and the Public Private Partnership arrangement for the Light Rail building being included as a service concession asset. |
|  | | * **Leasehold improvements**are capital expenditure items incurred in relation to leased assets. Leasehold improvements represent fit-outs in leased buildings. |
| AASB 116.74(a) | | * **Plant and equipment**includes mobile plant, air conditioning and heating systems, office and computer equipment, furniture and fittings, motor vehicles, buses, light rail vehicles (rolling stock), light rail maintenance equipment, and other mechanical and electronic equipment. Right-of-use plant and equipment assets and service concession plant and equipment assets are included within the plant and equipment asset class. The carrying amount of Plant and Equipment pledged separately and specifically as security for liabilities at 30 June 2022 was $xxx ($xxx in 2021). |
|  | | * **Infrastructure assets**are physical asset that typically have a long useful life and consist of a network of components, which enhance the productive capacity of the economy and supports Government services. Infrastructure assets held by the Agency include roads (including earthworks), bridges, stormwater drains, footpaths, street lighting, signs, barriers, bollards, playgrounds not adjoining a building and light rail infrastructure assets (including tracks, overhead wiring and poles, signalling and traffic control systems, electricity substations and light rail stops). Right-of-use infrastructure assets and service concession infrastructure assets are included within the infrastructure asset class. Land under infrastructure is not included in infrastructure assets. |
|  | | * **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. Heritage assets held by the Agency include art, historical buildings, and memorials. Community assetsare those assets that are provided essentially for general community use or service. Community assetsheld by the Agency include public parks and gardens, public sporting reserves, public nature reserves and land under infrastructure. |
| AASB 16.47  ACT Disclosure Policy | | Property, Plant and Equipment does not include assets held for sale or investment property. Right-of-Use (ROU) assets recognised under AASB 16 *Leases* are disclosed under the relevant class of property, plant and equipment. |
|  | | *Revision in Accounting Estimates* |
| AASB 116.51  AASB 108.34 & 39 | | The useful lives of some community and heritage assets were reassessed resulting in the depreciation expense increasing by $xxx. |

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| **Reference** | Note 19. Property, Plant and Equipment – Continued |
|  | *Change in Depreciation due to a Revision of Carrying Amount* |
| AASB 116.51  AASB 108.39 | The residual value of plant and equipment was revised and subsequently increased as it was considered that some items of plant and equipment could be sold for an amount greater than originally anticipated. As a result, the depreciation on the plant and equipment was also revised and consequently decreased by $180,000 in the current reporting period. |
|  | *Acquisition and Recognition of Property, Plant and Equipment* |
| AASB 116.15,  AASB 116.Aus 15.1, AASB 1004.BC28  AASB 1059.7 | Property, Plant and Equipment are initially recorded at cost. Right-of-use assets are also measured at cost on initial recognition, where cost comprises the initial amount of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. However, the Agency 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. |
| AASB 116.23 | Where payment for property, plant and equipment is deferred beyond normal credit terms, the difference between its cash price equivalent and the total payment is measured as interest over the period of credit. The discount rate used to calculate the cash price equivalent is an asset specific rate. |
|  | Property, Plant and Equipment with a minimum value of <$5,000> are capitalised. |
|  | *Measurement of Property, Plant and Equipment After Initial Recognition* |
| AASB 16.23 & 36, ACT Accounting Policy – Property Plant & Equipment | Property, Plant and Equipment is valued using the cost or revaluation model of valuation. Land, buildings, infrastructure assets, leasehold improvements and community and heritage assets are measured at fair value. Plant and equipment is measured at cost. Service Concession Assets included in each of these asset classes are measured on the same basis as the rest of that asset class owned by the Agency. |
|  | After the commencement date, 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 under the relevant asset class. |
| AASB 1059.9(b) | The fair value of service concession assets measured using the revaluation model is determine based on current replacement cost. |
|  | *Major Cyclical Maintenance - Infrastructure Asset* |
|  | The Agency undertakes major cyclical maintenance on its infrastructure assets. Where the maintenance leads to an upgrade, increasing the service potential of the existing infrastructure asset, the cost is capitalised. |
|  | *Valuation of Non-Current Assets* |
| AASB 116.77(a) &(b) | XYZ Valuers, an independent valuer, has performed all revaluations of the Agency’s property, plant and equipment assets. ‘XYZ Valuers’ hold a recognised and relevant professional qualification and have recent experience in the location and category of the property, plant and equipment involved. The latest valuation of infrastructure assets was performed as at 30 June 2021. The latest valuation of land, buildings and community and heritage assets was performed as at 30 June 2022. |
|  | The Agency has made a significant estimate regarding the fair value of its assets. Land and buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. Infrastructure assets and some community and heritage assets and service concession assets have been recorded at fair value based on current replacement cost as determined by an independent valuer. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations. |

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| **Reference** | **Note 19. Property, Plant and Equipment – Continued** | | | | |
|  | *Revaluation* | | | | |
| AASB 116.31 & 34 | Land, buildings, infrastructure assets, leasehold improvements, and community and heritage assets are revalued every three years. This also includes all right-of-use assets and service concession assets within these asset classes. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to buildings, leasehold improvements and community and heritage assets at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. | | | | |
| AASB 116.35(a) | 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* | | | | |
| AASB 136.9 & 10 | The Agency 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. | | | | |
| AASB 136.9, 59 & 60 | Any resulting impairment losses, for land, buildings, infrastructure, and community and heritage assets, are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. | | | | |
|  | Impairment losses for plant and equipment, and leasehold improvements are recognised in the Operating Statement (see Note 14 *Other Expenses*), 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 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. | | | | |
|  |  | | | | |
|  | *Depreciation and Useful Life* | | | | |
| AASB 116.6 | Depreciation is the systematic allocation of the cost of an asset less its residual value over its useful life. | | | | |
| AASB 116.43 & 50 | Depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment. | | | | |
|  | Land, and some community and heritage assets have an unlimited useful life and are therefore not depreciated. | | | | |
|  | Right-of-use buildings, leasehold improvements, plant and equipment, and infrastructure assets are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter. | | | | |
| AASB 116.53 | All depreciation is calculated after first deducting any residual values, which remain for each asset. | | | | |
|  | Depreciation for non-current assets is determined as follows: | | | | |
|  | **Class of Asset** | **Depreciation** | **Useful Life (Years)** | | |
|  | Buildings  Leasehold Improvements  Plant and Equipment  Infrastructure Community and Heritage Assets | Straight Line  Straight Line  Straight Line  Straight Line Straight Line | 2-100  2-40  2-126  3-138 3-100 | | |
| AASB 116.73(b) & (c), AASB 138.118(a) & (b)  AASB 116.51 | Land improvements are included within the building asset class. | | | | |
|  | The Agency has made a significant estimate in determining the useful lives of its Property, Plant and Equipment. The estimation of useful lives of Property, Plant and Equipment is based on the historical experience of similar assets and in some cases has been based on valuations provided by the ‘XYZ Valuers’. The useful lives are assessed on an annual basis and adjustments are made when necessary. | | | | |
|  | **Additional Information relating to Service Concession Arrangements** | | | | |
|  | For more information in relation to service concession arrangements refer to Note 39 *Service Concession Arrangements*. | | | | |
| **Reference** | **Note 19. Property, Plant and Equipment – Continued** | | | | |
|  | **Carrying Value of Fair Valued Assets under the Cost Model [DISCLOSURE FOR FOR-PROFIT AGENCIES ONLY]**  The following classes of Property, Plant and Equipment, which are carried at Fair value (as indicated above), would have had carrying values, if measured using the cost model, as follows: | | | | |
|  |  | | | **2022** | **2021** |
|  |  | | | **$’000** | **$’000** |
|  | **Carrying value if measured using Cost Model** | | |  |  |
|  | **Land** | | |  |  |
|  | Land at Cost | | |  |  |
| AASB 116.77(e) | **Total Land Assets at Cost** | | |  |  |
|  |  | | |  |  |
|  | **Buildings** | | |  |  |
|  | Buildings at Cost | | |  |  |
|  | Less: Accumulated Depreciation | | |  |  |
|  | Less: Accumulated Impairment Losses | | |  |  |
| AASB 116.77(e) | **Total Buildings at Cost** | | |  |  |
|  |  | | |  |  |
|  | **Leasehold Improvements** | | |  |  |
|  | Leasehold Improvements at Cost | | |  |  |
|  | Less: Accumulated Depreciation | | |  |  |
|  | Less: Accumulated Impairment Losses | | |  |  |
| AASB 116.77(e) | **Total Leasehold Improvements at Cost** | | |  |  |
|  |  | | |  |  |
|  |  | | |  |  |
|  | **Community and Heritage Assets** | | |  |  |
|  | Community and Heritage Assets at Cost | | |  |  |
|  | Less: Accumulated Depreciation | | |  |  |
|  | Less: Accumulated Impairment Losses | | |  |  |
| AASB 116.77(e) | **Total Community and Heritage Assets at Cost** | | |  |  |
|  |  | | |  |  |
|  | **Infrastructure Assets** | | |  |  |
|  | Infrastructure Assets at Cost | | |  |  |
|  | Less: Accumulated Depreciation | | |  |  |
|  | Less: Accumulated Impairment Losses | | |  |  |
| AASB 116.77(e) | **Total Infrastructure Assets at Cost** | | |  |  |

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| Reference | **Note 19. Property, Plant and Equipment – Continued** | | | | |
|  | **Reconciliation of Property, Plant and Equipment – 2021-22** | | | | | | | | | |
|  |  | Landa  $’000 | Buildingsb  $’000 | Leasehold Improvements  $’000 | | Plant and Equipment  $’000 | Infrastructure Assets  $’000 | Community/ Heritage  Assetsc  $’000 | Total  $’000 | |
| AASB 116.73(e) | **Carrying Amount at the Beginning of the Reporting Period** |  |  |  | |  |  |  |  | |
| AASB 116.73(e)(i)  AASB 16.53(h) | Additions |  |  |  | |  |  |  |  | |
| AASB 116.73(e)(ii) | Assets Classified as Held for Sale |  |  |  | |  |  |  |  | |
| AASB 116.73(e)(iv) | Revaluation Increment/(Decrement) |  |  |  | |  |  |  |  | |
| AASB 116.73(e)(iv) | Impairment Losses Recognised in Other Comprehensive Income |  |  |  | |  |  |  |  | |
| AASB 116.73(e)(vii)  AASB 16.53(a) | Depreciation |  |  |  | |  |  |  |  | |
| AASB 116.73(e)(ix) | Acquisition/(Disposal) through Administrative Restructuring |  |  |  | |  |  |  |  | |
| AASB 116.73(e)(ix) | Acquisition/(Disposal) from Transfers |  |  |  | |  |  |  |  | |
| AASB 116.73(e)(v) | Impairment Losses Recognised in the Operating Result |  |  |  | |  |  |  |  | |
| 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 |  |  |  | |  |  |  |  | |
| AASB 116.73(e)(ix) | Other Movements |  |  |  | |  |  |  |  | |
| AASB 116.73(e)  AASB 16.53 (j) | **Carrying Amount at the End of the Reporting Period** |  |  |  | |  |  |  |  | |
|  |  |  |  |  | |  |  |  |  | |
|  |  |  |  |  | |  |  |  |  | |
|  | Carrying Amount at the End of the Reporting Period, is represented by: | | | | | | | | | |
| AASB 116.73(a) &(d) | Gross Book Value |  |  |  |  | |  |  | |  |
| AASB 116.73(d) | Accumulated Depreciation |  |  |  |  | |  |  | |  |
| AASB 116.73(d) | Accumulated Impairment Losses |  |  |  |  | |  |  | |  |
| AASB 16.53(j) | Carrying Amount of Right-of-Use Assets |  |  |  |  | |  |  | |  |
|  | a) The increase in land of $xxx resulted from the Agency purchasing land in order to build a new warehouse for the storage of large items of plant and equipment and land to build a shopfront. The increase also resulted from a revaluation of the Agency’s existing land, which occurs every three years. | | | | | | | | | |
|  | b) The increase in buildings of $xxx resulted from two buildings located in Fyshwick and Canberra City being completed and transferred out of Capital Works in Progress. The increase also resulted from a revaluation of the Agency’s existing buildings, which occurs once every three years, and from a surplus building being transferred to the Agency from ACT Property Group, which will be used in the delivery of municipal services. | | | | | | | | | |
|  | c) The increase in Community and Heritage assets of $xxx has resulted from a revaluation of Community and Heritage assets undertaken by ‘Burley Griffin Agency’. The increase is also a result of a restructure of administrative arrangements, whereby ‘Burley Griffin Agency’ received, a number of large heritage assets from ABC Directorate. Please refer to Note 30 *Restructure of Administrative Arrangements* for further details. | | | | | | | | | |

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| Reference | **Note 19. Property, Plant and Equipment – Continued** | | | | | | | |
|  | **Reconciliation of Property, Plant and Equipment – 2020-21** | | | | | | | |
|  |  | Land  $’000 | Buildings  $’000 | Leasehold Improvements  $’000 | Plant and Equipment  $’000 | Infrastructure Assets  $’000 | Community/ Heritage  Assets  $’000 | Total  $’000 |
| AASB 116.73(e) | **Carrying Amount at the Beginning of the Reporting Period** |  |  |  |  |  |  |  |
| AASB 116.73(e)(i)  AASB 16.53(h) | Additions |  |  |  |  |  |  |  |
| AASB 116.73(e)(ii) | Assets Classified as Held for Sale |  |  |  |  |  |  |  |
| AASB 116.73(e)(iv) | Revaluation Increment/(Decrement) |  |  |  |  |  |  |  |
| AASB 116.73(e)(iv) | Impairment Losses Recognised in Other Comprehensive Income |  |  |  |  |  |  |  |
| AASB 116.73(e)(vii)  AASB 16.53(a) | Depreciation |  |  |  |  |  |  |  |
| AASB 116.73(e)(ix) | Acquisition/(Disposal) through Administrative Restructuring |  |  |  |  |  |  |  |
| AASB 116.73(e)(ix) | Acquisition/(Disposal) from Transfers |  |  |  |  |  |  |  |
| AASB 116.73(e)(v) | Impairment Losses Recognised in the Operating Result |  |  |  |  |  |  |  |
| 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 |  |  |  |  |  |  |  |
| AASB 116.73(e)(ix) | Other Movements |  |  |  |  |  |  |  |
| AASB 116.73(e)  AASB 16.53 (j) | **Carrying Amount at the End of the Reporting Period** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  | |
|  | Carrying Amount at the End of the Reporting Period, is represented by: | | | | | | | |
| AASB 116.73(a) &(d) | Gross Book Value | | | | | | | |
| AASB 116.73(d) | Accumulated Depreciation | | | | | | | |
| AASB 116.73(d) | Accumulated Impairment Losses | | | | | | | |
| AASB 16.53(j) | Carrying Amount of Right-of-Use Assets | | | | | | | |

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| Reference | **Note 19. Property, Plant and Equipment – Continued** | | | |
|  | **Fair Value Hierarchy** | | | |
| AASB 13.93(b)  AASB 13.76  AASB 13.81  AASB 13.86 | The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:   * Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the measurement date; * Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and * Level 3 - inputs that are unobservable for particular assets or liabilities. | | | |
|  | Details of the Agency’s property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June is as follows: | | | |
|  |  | Classification According to Fair Value Hierarchy | | |
|  |  | Level 2 | Level 3 | Total |
|  |  | $’000 | $’000 | $’000 |
|  | 2022 |  |  |  |
| AASB 13.93(a)&(b)  AASB 13.94 | Property, Plant and Equipment at Fair Value |  |  |  |
|  | Land |  |  |  |
|  | Buildings |  |  |  |
|  | Leasehold Improvements |  |  |  |
|  | Infrastructure Assets |  |  |  |
|  | Community and Heritage Assets |  |  |  |
|  |  |  |  |  |
|  | 2021 |  |  |  |
| AASB 13.93(a)&(b)  AASB 13.94 | Property, Plant and Equipment at Fair Value |  |  |  |
|  | Land |  |  |  |
|  | Buildings |  |  |  |
|  | Leasehold Improvements |  |  |  |
|  | Infrastructure Assets |  |  |  |
|  | Community and Heritage Assets |  |  |  |
|  |  |  |  |  |
| AASB 13.93(c) & e) (iv) | **Transfers Between Categories** | | | |
|  | There have been no transfers between Levels 2 and 3 during the current and previous reporting period. | | | |
|  | **Valuation Techniques, Inputs and Processes:** | | | |
|  | Level 2 Valuation Techniques and Inputs | | | |
| AASB 13.91(a) & 93(d) | Valuation Technique: The valuation technique used to value land and buildings is the market approach that reflects recent transaction prices for similar properties and buildings (comparable in location and size). | | | |
| AASB 13.91(a) & 93(d) | Inputs: Prices and other relevant information generated by market transactions involving comparable land and buildings were considered. Regard was taken of the Crown Lease terms and tenure, The Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning. | | | |
|  | Level 3 Valuation Techniques and Significant Unobservable Inputs  Land | | | |
| AASB 13.91(a) & 93(d) | Valuation Technique: Land where there is no active market or significant restrictions is valued through the market approach. | | | |
| AASB 13.91(a) & 93(d) | 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.  Other Property, Plant and Equipment | | | |
| AASB 13.91(a) & 93(d) | Valuation Technique: Buildings, Leasehold Improvements, Infrastructure Assets and Community and Heritage Assets were considered specialised assets by the Valuers and measured using the cost approach to Fair value. | | | |
| AASB 13.91(a) & 93(d) | Significant Unobservable Inputs: Estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For Buildings, historical cost per square metre of floor area was also used in measuring fair value. For Infrastructure Assets, the historical costs per cubic metre was also used in measuring fair value. In determining the value of buildings, leasehold improvements, infrastructure assets and community and heritage assets regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to ‘Burley Griffin Agency’. | | | |
| AASB 13.93(d) | There has been no change to the above valuation techniques during the year. | | | |
| AASB 13.95 | Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. | | | |

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| **Reference** | **Note 19. Property, Plant and Equipment – Continued** | | | | | |
| AASB 13.93(e) | **Fair Value Measurements using Significant Unobservable Inputs (Level 3)** | | | | | |
|  |  | **Land** | **Buildings** | **Leasehold**  **Improvements** | **Infrastructure**  **Assets** | **Community and Heritage Assets** | **Total** |
|  |  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
|  | **2022** |  |  |  |  |  |  |
|  | Fair Value at the Beginning of the Reporting Period |  |  |  |  |  |  |
|  | Additions |  |  |  |  |  |  |
|  | Assets Classified as Held for Sale |  |  |  |  |  |  |
|  | Depreciation |  |  |  |  |  |  |
|  | Acquisition/(Disposal)through Administrative Restructuring |  |  |  |  |  |  |
|  | Acquisition/Disposal From Transfers |  |  |  |  |  |  |
| AASB 13.93(e)(i) | Gains/(losses) recognised in Profit or Loss |  |  |  |  |  |  |
|  | - Revaluation increments/(decrements) recognised in Profit or Loss |  |  |  |  |  |  |
|  | - Impairment Losses Recognised in the Operating Result |  |  |  |  |  |  |
|  | - Reversal of Impairment Losses Recognised in the Operating Result |  |  |  |  |  |  |
| AASB 13.93(e)(ii) | Gains/(losses) recognised in other comprehensive income |  |  |  |  |  |  |
|  | - Revaluation increments/(decrements) recognised in Other Comprehensive Income |  |  |  |  |  |  |
|  | - Impairment Losses Recognised in Other Comprehensive Income |  |  |  |  |  |  |
|  | Other Movements |  |  |  |  |  |  |
|  | **Fair Value at the End of the Reporting Period** |  |  |  |  |  |  |
| AASB 13.93(f)) | Change in unrealised gains or losses for the period are included in profit or loss for assets held at the end of the reporting period. | | | | | | |

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| **Reference** | **Note 19. Property, Plant and Equipment – Continued** | | | | | |
| AASB 13.93(e) | **Fair Value Measurements using Significant Unobservable Inputs (Level 3)** | | | | | |
|  |  | **Land** | **Buildings** | **Leasehold**  **Improvements** | **Infrastructure**  **Assets** | **Community and Heritage Assets** | **Total** |
|  |  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
|  | **2021** |  |  |  |  |  |  |
|  | Fair Value at the Beginning of the Reporting Period |  |  |  |  |  |  |
|  | Additions |  |  |  |  |  |  |
|  | Assets Classified as Held for Sale |  |  |  |  |  |  |
|  | Depreciation |  |  |  |  |  |  |
|  | Acquisition/(Disposal)through Administrative Restructuring |  |  |  |  |  |  |
|  | Acquisition/Disposal From Transfers |  |  |  |  |  |  |
| AASB 13.93(e)(i) | Gains/(losses) recognised in Profit or Loss |  |  |  |  |  |  |
|  | - Revaluation increments/(decrements) recognised in Profit or Loss |  |  |  |  |  |  |
|  | - Impairment Losses Recognised in the Operating Result |  |  |  |  |  |  |
|  | - Reversal of Impairment Losses Recognised in the Operating Result |  |  |  |  |  |  |
| AASB 13.93(e)(ii) | Gains/(losses) recognised in other comprehensive income |  |  |  |  |  |  |
|  | - Revaluation increments/(decrements) recognised in Other Comprehensive Income |  |  |  |  |  |  |
|  | - Impairment Losses Recognised in Other Comprehensive Income |  |  |  |  |  |  |
|  | Other Movements |  |  |  |  |  |  |
|  | **Fair Value at the End of the Reporting Period** |  |  |  |  |  |  |
| AASB 13.93(f)) | Change in unrealised gains or losses for the period are included in profit or loss for assets held at the end of the reporting period. | | | | | | |

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| **Reference** | **Note 19. Property, Plant and Equipment – Continued** |
| AASB 13.93(i) | Assets where Current Use is not Highest and Best Use |
|  | ‘Burley Griffin Agency’ has a block of land with a three storey building near the Belconnen Town Centre that is mainly used as a shopfront. Given recent commercial and residential development in the immediate area, management is of the view, based on expert advice, that the highest and best use of this property would be to sell it on the open market for construction of a high-rise residential tower, to meet the accommodation needs of students and young families. An alternative site for the shopfront has been identified. There is no physical, legal or financial barrier to this sale and the Government will be proceeding with this course of action. Accordingly, the fair value of this property reflects its estimated selling price, in its current condition, to a developer. |
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|  | Commentary – Note 19: Property, Plant and Equipment |
|  | Classes |
| ACT Disclosure Policy  AASB 116.37 | ACT Disclosure Policy requires the following classes of Property, Plant and Equipment be disclosed in an agency’s financial statements where applicable:   * land; * buildings; * leasehold improvements; * plant and equipment; * community and heritage assets; and * infrastructure assets. |
|  | Property, Plant and Equipment Reconciliations |
|  | *Reconciliation of All Property, Plant and Equipment* |
| AASB 116.73(e) | A reconciliation of the carrying amounts of each class of Property, Plant and Equipment at the beginning and end of the reporting period must be disclosed in an agency’s financial statements. Where applicable, the reconciliation must show details of movements as follows:   * additions; * assets classified as held for sale or included in a disposal group held for sale; * acquisitions through business combinations; * increases or decreases in other comprehensive income resulting from revaluations, impairment losses and impairment losses reversed; * impairment losses, or impairment losses reversed, in profit and loss; * depreciation; and * other changes. |
|  | *Reconciliation of Level 3 Property, Plant and Equipment* |
| AASB 13.93(e) | Agencies shall provide a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:   * total gains or losses for the period recognised in the operating result by line item; * total gains or losses for the period recognised in other comprehensive income by line item; * purchases, sales, issues and settlements (each disclosed separately); and * the amounts of any transfers into or out of level 3, the reasons for those transfers and the policy for determining when transfers between levels are deemed to have occurred. Transfers into Level 3 shall be disclosed and discussed separately from transfers out of Level 3. |
| AASB 116.74(a) | Agencies must disclose information about the carrying amount of any non-current assets pledged as security for liabilities and the existence and amounts of any restrictions on title. |
|  | **Measurement** |
|  | *Initial Measurement* |
|  | Property, Plant and Equipment are initially recorded at cost, with service concession assets initially measured at current replacement cost. |

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| **Reference** | **Commentary – Note 19: Property, Plant and Equipment – Continued** |
| AASB 116.16 | The cost of an item of property, plant and equipment comprises:   * its purchase price; * any directly attributable costs; and * the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. |
|  | Right-of-use assets are initially measured at cost including the following:   * the amount of the initial measurement of the lease liability; * any lease payments made at or before the commencement date less any lease incentives received; * any initial direct costs; and * restoration costs, including dismantling and removing the underlying asset. |
|  | *Subsequent Measurement* |
| ACT Accounting Policy | Agencies are required to measure all land, buildings, infrastructure assets and community and heritage assets at fair value. Plant and equipment, and leasehold improvements are to be measured at fair value when the value of these assets is used in making management decisions, and measured at cost or fair value when the value of these assets is not used to make management decisions. |
| ACT Accounting Policy | Agencies are required to subsequently measure right-of-use assets at cost. |
| AASB 13.91(a) | For assets and liabilities that are measured at fair value in the balance sheet after initial recognition, agencies shall disclose the valuation techniques and inputs used to determine fair value. |
|  | **Fair Value Disclosures** |
|  | *Valuation Techniques* |
| AASB 13.B.5  AASB 13.B8  AASB 13.B10 | * Market approach – uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities such as a business. * Cost approach – reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as the current replacement cost). * Income approach – converts future amounts (e.g. cash flows or income and expenses) to a single (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts. |
| AASB 13.93(g) | Agencies shall provide a description of their valuation process (including, for example, how they decide their valuation policies and procedures and analyses changes in fair value measurements from period to period). |
| AASB 13.93(b)  AASB 13.76  AASB 13.81  AASB 13.86 | **Fair Value Hierarchy**  Agencies are required to classify assets and liabilities measured at fair value into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. The Fair Value Hierarchy is made up of the following three levels:   * Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the measurement date; * Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and * Level 3 -inputs that are unobservable for particular assets or liabilities. |
|  | *Levels 1 and 2 Valuation Inputs* |
| AASB 13.93(c) | Agencies shall disclose for assets and liabilities held at the end of the reporting period that are measured at fair value, the amounts of any transfers between Level 1 and Level 2 of the Fair Value Hierarchy, the reasons for the transfers and the agency’s policy for determining when transfers between levels are deemed to have occurred. Transfers into each level shall be disclosed separately from transfers out of each level. |
|  | *Levels 2 and 3 Valuation Inputs* |
| AASB 13.93(d) | Agencies shall disclose for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in the valuation technique (e.g. changing from a market approach to an income approach or the use of an additional valuation technique), agencies shall disclose that change and the reason(s) for making it. |
|  | *Level 3 Valuation Inputs* |
| AAB 13.91(b) | For fair value measurements using significant unobservable inputs, agencies shall disclose the effect of the measurements on the operating result or other comprehensive income for the reporting period. |
| **Reference** | **Commentary – Note 19: Property, Plant and Equipment – Continued** |
| AASB 13.93(b) | Agencies shall provide quantitative information about significant unobservable inputs used in the fair value measurement. Agencies are not required to create quantitative information to comply with this disclosure requirement if they have not developed quantitative unobservable inputs when measuring fair value (e.g. when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure agencies cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to them. |
|  | Agencies only need to disclose those valuation input levels (ie Level 1, 2 & 3) that are relevant to them. For example, ‘Burley Griffin Agency’ does not have any assets in Level 1 and as such only disclosures for Level 2 and Level 3 have been included in the above Property, Plant and Equipment note. It is not expected that any agencies will have Property, Plant and Equipment contained in Level 1. |
|  | *Following Policy for Transfers Between Levels of the Fair Value Hierarchy* |
|  | Agencies shall disclose and consistently follow its policy for determining when transfers between levels of the Fair Value Hierarchy are deemed to have occurred. The policy about the timing of recognising transfers shall be the same for transfers into the levels as for transfers out of the levels. Examples of policies for determining the timing of transfers include the following:   * the date of the event or change in circumstance that caused the transfer; * the beginning of the reporting period; or * the end of the reporting period. |
| AASB 13.93(b) | Agencies shall disclose the level of the Fair Value Hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3). |
|  | *Fair Value Disclosures – General* |
| AASB 13.94(a)&(b)  AASB 13.95 | Agencies need to classify assets and liabilities on the basis of the following:   * the nature, characteristics and risks of the asset or liability; and * the level of the Fair Value Hierarchy within which the fair value measurement is categorised. |
| AASB 13.93(a) | Agencies shall disclose the fair value measurement of assets and liabilities at the end of the reporting period. |
| AASB 13.99 | Agencies shall present the quantitative disclosures required by AASB 13 *Fair Value Measurement* in a tabular format unless another format is more appropriate. |
|  | **Depreciation** |
|  | *Depreciation of Land* |
| AASB 116.58 & 59 | With some exceptions, such as quarries or landfill, land has an unlimited useful life and therefore is not depreciated. Where land is required to be restored after it has been used, this cost must be capitalised into the carrying amount of the land and a relevant provision raised. That portion of the land’s cost is then depreciated over the period the land will be used (i.e. until the time the land is restored). For example, where an agency has a landfill site which is required to be restored by law at the end of 10 years, the restoration portion of the land’s value will be depreciated over the next 10 years. |
|  | *Depreciation of Right-of-Use Assets* |
| AASB 16.57 | Right-of-Use assets are generally depreciated over the shorter of the asset’s useful life and the lease term. Where the agency obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the agency will exercise a purchase option, the agency depreciates the right-of-use asset over its useful life. |
|  | **Useful Lives** |
| AASB 116.51 | Agencies must assess their asset’s useful lives at the end of each reporting period and where expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimate in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. |
| AASB 108.36 | Changes in accounting estimates are required to be recognised prospectively in the Operating Statement by including it as revenue or expense in the reporting period in which the accounting estimate is revised, if the revision affects that reporting period only, or in the reporting period of the revision and future reporting periods, if the revision affects both the current and future reporting periods. |
|  | **Highest and Best Use** |
| ASSB 13.93(i) | If the highest and best use of a non-financial asset differs from its current use, agencies shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use. |
| AASB 13.27 & 28 | The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible (given location and size), legally permissible (given zoning regulations), and financially feasible (generates adequate income or cash flows). |
| **Reference** | **Commentary – Note 19: Property, Plant and Equipment – Continued** |
|  | **Voluntary Disclosures** |
| AASB 116.79 | To assist users of financial statements, the following voluntary disclosures are recommended:   * the carrying amount of temporarily idle property, plant and equipment; * the gross carrying amount of any fully depreciated property, plant and equipment that is still in use; and * the carrying amount of property, plant and equipment retired from active use and not classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. |
|  | **Disclosures required by Lessors that have Operating Leases involving Property, Plant and Equipment** |
| AASB 16.95 | Where an agency is a lessor with operating leases involving property, plant and equipment it needs to provide the disclosures required by AASB 116 separately for the assets subject to an operating lease from those that are held and used by the lessor. |
|  | Compensation from Third Party |
| AASB 116.74(d) | Agencies must disclose the amount of compensation received from third parties for items of property, plant and equipment that were impaired, lost or given up during the reporting period that have not already been separately disclosed in the Operating Statement. |
|  | **Right of Use Assets Acquired by Lessees** |
|  | A lessee shall either present in the statement of financial position, or disclose in the notes: |
|  | * right-of-use assets separately from other assets. If a lessee does not present right-of-use assets separately in the statement of financial position, the lessee shall: |
|  | * include right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned; and |
|  | * disclose which line items in the statement of financial position include those right-of-use assets. |
| ACT Disclosure Policy | Given the Model sets out that right-of-use assets are not included on the face of the Balance Sheet, agencies need to include right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned. |
| AASB 16.48 | Right-of-use assets that meet the definition of investment property are presented within Investment Property. |
|  | **Treatment of Revaluation Decrements** |
| AASB 116.Aus 40.1 | Revaluation decrements are expensed when a particular asset (of for-profit territory authorities), or class of assets (of not-for-profit agency), as a whole, has been revalued downwards and there is no amount in the Asset Revaluation Surplus for that asset class for the revaluation to be offset against. |
|  | **Territory Authority Commentary** |
|  | *For-profit Territory Authorities* |
| AASB 116.77(e) | Territory authorities that are for-profit are required to disclose for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model. An example disclosure is presented above. |
| AASB 116.AUS 77.1 | Territory authorities which are not-for-profit are not required to make this disclosure. |
| AASB 13.93(f) | For recurring fair value measurements categorised within level 3 of the fair value hierarchy, for-profit authorities need to disclose the amount of the total gains and losses for the period attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period, by line item. |
| AASB 93(d) | For fair value measurements categorised within level 3 of the fair value hierarchy, for-profit authorities have to disclose quantitative information about the significant unobservable inputs used in the fair value measurement. |
| AASB 93(h)(i) | For-profit authorities also need to provide a narrative description of the sensitivity of the fair value measurements to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. If there are interrelationships between those inputs and other unobservable inputs, agencies shall provide a description of those interrelationships and how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement. |

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| **Reference** | Note 20. Investment Properties | | | | | | | | | |
|  | Description and Material Accounting Policies Relating to Investment Properties | | | | | | | | | |
|  | Investment properties are properties held to earn rental income or for capital appreciation, or both. ‘Burley Griffin Agency’ owns commercial and office buildings which are classified as investment property as they are held primarily for rental income. | | | | | | | | | |
| AASB 140.75(g) | These are leased to commercial and community tenants which generally have terms of 2 – 15 years. Lessees do not have an option to purchase the property at the expiry of the lease period. The rents relating to commercial properties increase by CPI each year with a market rent reset every 5th year. ‘Burley Griffin Agency’ charges rent on the commercial properties monthly in advance. There are no restrictions on investment properties held or any restrictions on the income generated. | | | | | | | | | |
| AASB 140.75(h) | There are no contractual obligations to construct, purchase or develop investment properties. Further there is no contractual obligation for the repair, maintenance or enhancement of the investment properties. | | | | | | | | | |
| AASB 140.75(e) | The fair value of investment properties was determined by an independent valuation undertaken by ‘XYZ Valuers’ as at 30 June 2022. ‘XYZ Valuers’ hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment properties involved. | | | | | | | | | |
| AASB 13.93(d) | Investment properties are initially recognised at cost. Subsequent to initial recognition, investment properties are measured at fair value and are valued annually as at the end of the reporting period.Fair value is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property. If there is no active property market, alternative valuation methods are used, such as recent selling prices in less active markets, or discounted cash flow projections. | | | | | | | | | |
|  | Changes in fair value are recorded in the Operating Statement (see Note 14 *Other Expenses* or Note 8 *Gains from Disposals, Derecognition and Remeasurement of Assets*). Any costs incurred subsequent to initial acquisition are capitalised when the expenditure increase the annual service potential or useful life of the asset beyond what was originally assessed. Where an investment property is acquired at no cost or for nominal consideration, its fair value is deemed to be its cost as at the date of acquisition. Investment properties are not depreciated or tested for impairment. | | | | | | | | | |
| AASB 16.61  AASB 16.62 | As a lessor, ‘Burley Griffin Agency’ classifies all investment properties as operating leases. This is because these leases do not meet the definition of a finance lease. A lease is classified as a finance lease where substantially all the risks and rewards of ownership as transferred from ‘Burley Griffin Agency’ to the lessee. | | | | | | | | | |
| AASB 140.75(a) & (e), AASB 13.15 | As all investment properties are under an operating lease, the initial direct costs incurred upon initial recognition in negotiating and arranging these operating leases are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. | | | | | | | | | |
|  |  | Landa  $’000 | | Buildingsa $’000 | | | | | | Total  $’000 |
|  | Reconciliation of Investment Properties 2021-22 |  | |  | | | | | |  |
|  | **Carrying Amount at the Beginning of the Reporting Period** |  | |  | | | | | |  |
| AASB 140.76(a) | Additions |  | |  | | | | | |  |
| AASB 140.76(a) | Subsequent Capitalised Expenditure |  | |  | | | | | |  |
| AASB 140.76(c) | Disposals and Assets Classified as Held for Sale |  | |  | | | | | |  |
| AASB 140.76(d) | Net Gain/(Loss) on Revaluation |  | |  | | | | | |  |
| AASB 140.76(f) | Transfers to/from Inventories and Owner-Occupied Property |  | |  | | | | | |  |
| AASB 140.76(g) | Acquisition/(Disposal) through Administrative Restructuring |  | |  | | | | | |  |
| AASB 140.76(g) | Acquisition/(Disposal) from Transfers |  | |  | | | | | |  |
| AASB 140.76(g) | Other Movements |  | |  | | | | | |  |
|  | **Carrying Amount at the End of the Reporting Period** |  | |  | | | | | |  |
|  | Reconciliation of Investment Properties 2020-21 |  | | |  | | | |  | |
|  | **Carrying Amount at the Beginning of the Reporting Period** |  | | |  | | | |  | |
| AASB 140.76(a) | Additions |  | | |  | | | |  | |
| AASB 140.76(a) | Subsequent Capitalised Expenditure |  | | |  | | | |  | |
| AASB 140.76(c) | Disposals and Assets Classified as Held for Sale |  | | |  | | | |  | |
| AASB 140.76(d) | Net Gain/(Loss) on Revaluation |  | | |  | | | |  | |
| AASB 140.76(f) | Transfers to and from Inventories and Owner-Occupied Property |  | | |  | | | |  | |
| AASB 140.76(g) | Acquisition/(Disposal) through Administrative Restructuring |  | | |  | | | |  | |
| AASB 140.76(g) | Acquisition/(Disposal) from Transfers |  | | |  | | | |  | |
| AASB 140.76(g) | Other Movements |  | | |  | | | |  | |
|  | **Carrying Amount at the End of the Reporting Period** |  | | |  | | | |  | |
| **Reference** | **Note 20. Investment Properties – Continued** | | | | | | | | | |
|  | (a)The increase in investment properties of $xxx is due to additional investment properties being purchased, an increase in the value of existing investment properties due to revaluation and investment properties being transferred from other ACT Government agencies to ‘Burley Griffin Agency’. | | | | | | | | | |
|  |  | | | | | | | | | |
| AASB 13.93(c) & (e) (iv) | **Classification According to Fair Value Hierarchy at 30 June 2022** | | | | | | | | | |
|  |  | **Level 2** | | | | **Total** | | | | |
|  |  | **$’000** | | | | **$’000** | | | | |
|  | **Investment Properties at Fair Value** |  | | | |  | | | | |
| AASB 13.93(a)(b) | Land |  | | | |  | | | | |
| AASB13.94 | Buildings |  | | | |  | | | | |
|  |  |  | | | |  | | | | |
|  |  |  | | | |  | | | | |
|  | **Classification According to Fair Value Hierarchy at 30 June 2021** | | | | | | | | | |
|  |  | **Level 2** | | | | **Total** | | | | |
|  |  | **$’000** | | | | **$’000** | | | | |
|  | **Investment Properties at Fair Value** |  | | | |  | | | | |
| AASB 13.93(a)(b) | Land |  | | | |  | | | | |
| AASB13.94 | Buildings |  | | | |  | | | | |
|  |  |  | | | |  | | | | |
|  |  | | | | | | | | | |
|  | **Transfers Between Categories** | | | | | | | | | |
|  | There have been no transfers between Levels 1, 2 and 3 during the current and previous reporting period. | | | | | | | | | |
|  |  | | | | | | | | | |
|  | **Level 2 Valuation Inputs** | | | | | | | | | |
| AASB 13.91(a) & 93(d) | Valuation Technique: The valuation technique used to value land and buildings is the market approach that reflects recent transaction prices for similar properties. | | | | | | | | | |
| AASB 13.91(a) & 93(d) | Inputs: Prices and other relevant information generated by market transactions involving comparable land and buildings were considered. Regard was taken of the Crown Lease terms and tenure, The Australian Capital Territory Plan and the National Capital Plan, where applicable as well as current zoning. | | | | | | | | | |
|  | **Maturity Analysis** | | | | | | | | | |
| AASB 16.97 | Maturity analysis of the undiscounted lease payments to be received after reporting date for operating leases: | | | | | | | | | |
|  |  | | 2022 | | | | 2021 | | | |
|  |  | | **$’000** | | | | **$’000** | | | |
|  | < 1 year | |  | | | |  | | | |
|  | Between 1 – 2 years | |  | | | |  | | | |
|  | Between 2 – 3 years | |  | | | |  | | | |
|  | Between 3 – 4 years | |  | | | |  | | | |
|  | Between 4 – 5 years | |  | | | |  | | | |
|  | Greater than 5 years | |  | | | |  | | | |
|  | **Total** **Undiscounted Operating Lease Payments Receivable** | |  | | | |  | | | |
|  |  | | | | | | | | | |
|  |  | | | | | | | | | |
|  | Income and Expense from Investment Properties | | | | | | | | | |
| AASB 140.75(f)(i) | Rental Income | |  | | | | |  | | |
| AASB 140.75(f)(ii) | Less: Direct Operating Expenses of Investment Properties that Generated Investment Income | |  | | | | |  | | |
| AASB 140.75(f)(iii) | Less: Direct Operating Expenses of Investment Properties that did not Generate Investment Income | |  | | | | |  | | |
|  | **Total Operating Profit from Investment Properties** | |  | | | | |  | | |

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| **Reference** | **Note 20. Investment Properties – Continued** | | |
|  |  | | |
| AASB 140.77 | Reconciliation of the Revaluation Amount and the Carrying Amount of Buildings | | |
|  | Independent Valuation Amount Obtained for the Buildings |  |  |
|  | Less: |  |  |
|  | - Furniture |  |  |
|  | - Equipment (Lift and Air-Conditioning Unit) |  |  |
|  | - Fittings |  |  |
|  | **Total Adjusted Amount of Buildings at Fair Value** |  |  |
|  |  | | |
|  | **Commentary – Note 20: Investment Properties** | | |
|  | Investment property can arise from either of the following:   * owned assets – assets owned by the Agency and rented out under a head lease, or * right-of-use assets – assets which are leased by the Agency under a head lease and sub-leased via an operating sub-lease. | | |
|  | These two types of investment property are separate classes of assets and therefore an Agency should specify whether the investment property is owned or arises from a right-of-use asset. | | |
|  | If an Agency has both types of investment property, then the disclosures should be shown separately for both classes. | | |
|  | **Definition** | | |
| AASB 140.5 | Investment property is property (land or a building – or part of a building – or both) held (by the owner or by the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both, rather than for:   * use in the production or supply of goods or services or for administrative purposes; or * sale in the ordinary course of business. | | |
| AASB 140.Aus 9.1 | However, for agencies, property may be held to meet service delivery objectives rather than to earn rental or for capital appreciation. In such situations, the property will not meet the definition of investment property and will be accounted for under AASB 116 *Property, Plant and Equipment*, for example:   * property held for strategic purposes; and * property held to provide a social service, including those which generate cash inflows where the rental revenue is incidental to the purpose for holding the property. | | |
| AASB 140.76 | An agency that applies the fair value model in accordance with AASB 140 *Investment Property* shall disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing the following:   * additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised in the carrying amount of an asset; * additions resulting from acquisitions through business combinations; * assets classified as held for sale or included in a disposal group and other disposals; * net gains or losses from fair value adjustments; * transfers to and from inventories and owner-occupied property; and * other changes. | | |
| AASB 140.75(c) | Where it is difficult for an agency to determine whether a property should be classified as an investment property, the criteria it uses to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business must be disclosed | | |
|  | **Operating Lease Disclosures for Lessors** | | |
| AASB 16.88 | Lessors shall present assets subject to operating leases in the Balance Sheets according to the nature of the underlying asset. In the case of ‘Burley Griffin Agency’ it is investment properties that are subject to an operating lease, however where, for example, an agency had property, plant and equipment under an operating lease, these assets should be disclosed in the property, plant and equipment note. | | |
| AASB 16.83 | Initial direct costs incurred by Lessors in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. | | |

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| **Reference** | **Commentary – Note 20: Investment Properties – Continued** |
|  | Fair Value Hierarchy |
|  | A detailed discussion of the concepts, methodologies and disclosures relating to fair value hierarchy is found in the Commentary to Note 19 *Property, Plant and Equipment*. |
| AASB 16.84 | The depreciation policy for depreciable assets under an operating lease must be consistent with the lessor’s normal depreciation policy for similar assets, and depreciation and amortisation calculated in accordance with AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*. |
| AASB 16.90(b)  AASB 140.75(b) | For operating leases, lessors shall separately disclose income relating to variable lease payments that do not depend on an index or a rate. |
|  | Where agencies apply the fair value model, they shall disclose whether, and in what circumstances, property interests held under operating leases are classified and accounted for as investment property. |
|  | Fair Value Disclosures |
|  | **Adjustment for Revalued Investment Properties** |
| AASB 140.77 | Where an investment property that is held at fair value, and as such needs to be revalued every year, it may be necessary to significantly adjust the value of the investment property in order to avoid double counting of assets that are recognised as separate assets. For example where furniture/fitting or equipment like a lift/air-conditioning unit have been included in the value of the investment property but an agency has already taken up these assets separately as plant and equipment, then it will need to adjust the value of the investment property. However, these examples of double counting may be able to be avoided by agencies having discussions with their valuers to see whether these items can be excluded from the valuation. Also the fair value of investment property may need to be reduced because it excludes prepaid or accrued operating lease income, due to the agency recognising this as a separate liability or asset.  Where the value of the investment property needs to be reduced, agencies shall disclose a reconciliation between the valuation obtained and the adjusted valuation included in the financial statements, showing separately the aggregate amount of any recognised lease obligations that have been added back, and any other significant adjustments. |

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|  | Note 21. Intangible Assets | | |
|  | Description and Material Accounting Policies Relating to Intangible Assets | | |
|  | The Agency has internally generated software and externally purchased software. The internally generated software consists of two large software systems, while the externally purchased software consists of 520 software licences. Other Intangibles recognised below are all externally purchased. | | |
|  | *Recognition* | | |
| AASB 138.21 & 57, Model Financial Statements Guidelines: 1.6 Application – ACT Disclosure Policy | The Agency’s intangible assets are comprised of internally generated and externally acquired software for internal use. Externally acquired software is recognised and capitalised when:  (a) it is probable that the expected future economic benefits attributable to the software will flow to the Agency;  (b) the cost of the software can be measured reliably; and  (c) the acquisition cost is equal to or exceeds $50,000. | | |
| AASB 138.118(a) & (b), Model Financial Statement Guidelines - 1.6 Application – ACT Disclosure Policy | Internally generated software is recognised when it meets the general recognition criteria outlined above and where it also meets the specific recognition criteria relating to intangible assets arising from the development phase of an internal project. | | |
|  | *Measurement* | | |
|  | Intangible Assets are measured at cost. | | |
|  | *Amortisation* | | |
|  | Capitalised software and other intangibles have a finite useful life. Amortisation is applied to intangible assets. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 5 years.  *Impairment* | | |
| AASB 136.9 & 10  AASB 136.10(a) | The Agency assesses, at each reporting date, whether there is any indication that an intangible asset may be impaired. Intangible assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired. | | |
|  | Impairment losses for intangible assets are recognised in the Operating Statement (see Note 14 *Other Expenses*), as intangibles are carried at cost. The carrying amount of the intangible asset is reduced to its recoverable amount. | | |
|  | Amortisation for intangible assets is determined as follows: | | |
|  | **Class of Intangible Asset** | **Amortisation** | **Useful Life (Years)** |
|  | Externally Purchased Software | Straight Line | 2-10 |
|  | Internal Generated Software | Straight Line | 2-10 |
|  | Externally Purchased Other Intangibles | Straight Line | 3 |

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| **Reference** | **Note 21. Intangible Assets – Continued** | | | | | |
|  |  |  |  |  |  | |
|  |  | **Internally Generated**  **Software** | **Externally Purchased Software** | **Externally Purchased Other Intangibles** | **Total** | |
| ACT Accounting Policy AASB 138.118 |  | **$’000** | **$’000** | **$’000** | **$’000** | |
| AASB 138.118(e) | **Reconciliation of Intangible Assets 2021-22** |  |  |  |  | |
| AASB 138.118(e) | **Carrying Amount at the Beginning of the Reporting Period** |  |  |  |  | |
| AASB 138.118(e)(i) | Additions |  |  |  |  | |
| AASB 138.118(e)(iv) | Impairment Losses recognised in the Operating Result |  |  |  |  | |
| AASB 138.118(e)(v) | Reversals of Impairment Losses recognised in the Operating Result |  |  |  |  | |
| AASB 138.118(e)(vi) | Amortisation |  |  |  |  | |
| AASB 138.118(e)(viii) | Other Changes |  |  |  |  | |
| AASB 138.118(e) | **Carrying Amount at the End of the Reporting Period** |  |  |  |  | |
|  | Carrying Amount at the End of the Reporting Period, represented by: |  |  |  |  | |
| AASB 138.118(c) | Gross Book Value |  |  |  |  | |
| AASB 138.118(c) | Accumulated Amortisation |  |  |  |  | |
| AASB 138.118(c) | Accumulated Impairment losses |  |  |  |  | |
|  |  |  |  |  |  | |
|  |  |  |  |  |  | |
|  |  | **Internally Generated**  **Software** | **Externally Purchased Software** | **Externally Purchased Other Intangibles** | **Total** | |
| ACT Accounting Policy AASB 138.118 |  | **$’000** | **$’000** | **$’000** | **$’000** | |
| **AASB 138.118(e)** | **Reconciliation of Intangible Assets 2020-21** | | | | | |
| AASB 138.118(e) | **Carrying Amount at the Beginning of the Reporting Period** |  |  |  |  | |
| AASB 138.118(e)(i) | Additions |  |  |  |  | |
| AASB 138.118(e)(iv) | Impairment Losses recognised in the Operating Result |  |  |  |  | |
| AASB 138.118(e)(v) | Reversals of Impairment Losses recognised in the Operating Result |  |  |  |  | |
| AASB 138.118(e)(vi) | Amortisation |  |  |  |  | |
| AASB 138.118(e)(viii) | Other Changes |  |  |  |  | |
| AASB 138.118(e) | **Carrying Amount at the End of the Reporting Period** |  |  |  |  | |
|  | Carrying Amount at the End of the Reporting Period, represented by: |  |  |  |  | |
| AASB 138.118(c) | Gross Book Value |  |  |  |  | |
| AASB 138.118(c) | Accumulated Amortisation |  |  |  |  | |
| AASB 138.118(c) | Accumulated Impairment losses |  |  |  |  | |
|  |  |  |  |  |  | |
|  | Commentary – Note 21: Intangible Assets | | | | |
|  | Reconciliations | | | | |
| AASB 138.118(e) | AASB 138 *Intangible Assets* requires the disclosure of a reconciliation of the carrying amount of each class of Intangible Asset at the beginning and end of the reporting period. The reconciliation must show details of movements as follows:   * additions; * assets classified as held for sale or included in a disposal group held for sale; * increases/decreases in other comprehensive income resulting from revaluations, impairment losses and impairment losses reversed; * impairment losses, or impairment losses reversed, in profit and loss; * amortisation; and * other changes. | | | | |

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| **Reference** | Commentary – Note 21: Intangible Assets – Continued |
|  | Material Intangible Assets |
| AASB 138.122(b) | Where an agency has an individual intangible asset that is material to its financial statements, the agency shall disclose a description of that asset along with the carrying amount and remaining amortisation period. |
|  | Restricted Assets and Assets Pledged as Security |
| AASB 138.122(d) | Where an intangible asset is restricted or is pledged as security for a liability the existence and carrying amount must be separately disclosed. |
|  | Voluntary Disclosure |
| AASB 138.128 | AASB 138 recommends the following voluntary disclosures:   * a description of any fully amortised intangible asset that is still in use; and * a brief description of significant intangible assets controlled by the agency but not recognised as assets because they did not meet the recognition criteria. |
|  | Note 22. Capital Works in Progress | |
|  | Description and Material Accounting Policies Relating to Capital Works in Progress | |
|  | Capital works in progress include infrastructure assets, buildings, leasehold improvements and software under construction. Capital works in progress are recognised at the time the construction activity occurs. These assets are measured at the cost of constructing the asset. The cost includes direct construction costs (eg direct materials and direct labour), and ‘directly attributable’ costs in bringing the asset to a location and condition ready for use, as well as the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Directly attributable costs included in capital works in progress by ‘Burley Griffin Agency’ are the cost of site preparation, initial delivery and handling costs of materials, installation and assembly costs, functional testing and professional fees. | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Reference | **Note 22. Capital Works in Progress – Continued** | | | | | | | | |
|  |  | Infrastructure Works in Progressa | | Building Works in Progressb | | Leasehold Improvement Works in Progress | Software Works in Progress | | Total |
|  |  | **$’000** | | **$’000** | | **$’000** | **$’000** | | **$’000** |
|  | **Reconciliation of Capital Works in Progress 2021-22** |  | |  | |  |  | |  |
| AASB 116.73(e)  AASB 138.118(e) | **Carrying Amount at the Beginning of the Reporting Period** |  | |  | |  |  | |  |
| AASB 116.73(e)(i)  AASB 138.118(e)(i) | Additions |  | |  | |  |  | |  |
| AASB 116.73(e)(ix) | Capital Works in Progress Completed and Transferred to Property, Plant and Equipment |  | |  | |  |  | |  |
| AASB 138.118(e)(viii) | Capital Works in Progress Completed and Transferred to Intangible Assets |  | |  | |  |  | |  |
| AASB 116.73(e)  AASB 138.118(e) AASB 116.74(b) | **Carrying Amount at the End of the Reporting Period** |  | |  | |  |  | |  |
|  | a) The increase in Infrastructure Works in Progress of $xxx is due to a number of large projects commencing in 2021 which were not completed at the end of the reporting period. | | | | | | | | |
|  | b) The decrease in Building Works in Progress of $xxx is due to the completion of two buildings located in Fyshwick and Canberra City being completed and transferred out of Capital Works in Progress into Property, Plant and Equipment. | | | | | | | | |
|  | **Reconciliation of Capital Works in Progress 2020-21** | | | | | | | | |
| AASB 116.73(e)  AASB 138.118(e) | **Carrying Amount at the Beginning of the Reporting Period** | | | | | | | | |
| AASB 116.73(e)(i)  AASB 138.118(e)(i) | Additions |  |  | |  | |  |  | |
| AASB 116.73(e)(ix) | Capital Works in Progress Completed and Transferred to Property, Plant and Equipment |  |  | |  | |  |  | |
| AASB 138.118(e)(viii) | Capital Works in Progress Completed and Transferred to Intangible Assets |  |  | |  | |  |  | |
| AASB 116.73(e)  AASB 138.118(e) AASB 116.74(b) | **Carrying Amount at the End of the Reporting Period** |  |  | |  | |  |  | |

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| **Reference** | Commentary – Note 22: Capital Works in Progress | | |
|  | Certain costs may occur in connection with the construction or development of an asset that are not ‘directly attributable’ to the asset. These incidental costs are recognised as expenses when incurred. An example of a related cost that cannot be capitalised, is the cost of relocating staff into the new building at the completion of the project. | | |
|  | Once costs have been expensed, they cannot subsequently be capitalised in future years (except where an error has occurred in the initial treatment). Costs expensed early in a capital works project, because at that time it was not probable that the asset would eventuate, cannot subsequently be capitalised if the project proceeds and the asset is built. | | |
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|  | Note 23. Other Assets | | |
|  |  | | |
|  |  | **2022** | **2021** |
|  |  | **$’000** | **$’000** |
| ACT Disclosure Policy | **Current Other Assets** |  |  |
| AASB 101.77 | Prepayments |  |  |
| AASB 101.77 | Other |  |  |
|  | **Total Current Other Assets** |  |  |
|  |  |  |  |
| ACT Disclosure Policy | **Non-Current Other Assets** |  |  |
| AASB 101.77 | Prepayments |  |  |
| AASB 101.77 | Rights to Receive Land and Buildings |  |  |
| AASB 101.77 | Other |  |  |
|  | **Total Non-Current Other Assets** |  |  |
|  | **Total Other Assets** |  |  |

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| Reference | lIABILITY Notes | | | | | | | | | | |
|  | Material Accounting Policies – Liability | | | | | | | | | | |
|  | **Liabilities – Current and Non-Current** | | | | | | | | | | |
| AASB 101.60 & 69 | Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Agency does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current. | | | | | | | | |
|  | Note 24. Payables and Contract Liabilities | | | | | | | | |
|  | Description and Material Accounting Policies Relating to Payables and Contract Liabilities | | | | | | | | |
|  | *Payables* | | | | | | | | |
|  | Payables include Trade Payables, Accrued Expenses and Other Payables. | | | | | | | | |
| AASB 7.21 | 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 now normally settled within <14 days> after the invoice date given the ACT Government accelerated the payments of invoices for local enterprises recognising the importance of cash flow to small and medium enterprises given the COVID-19 pandemic. | | | | | | | | |
|  | *Contract liabilities* | | | | | | | | |
| AASB 15.117  AASB 15.116(c) | Contract liabilities relate to consideration received in advance from customers in respect of Fare Revenue and Grants with Sufficiently Specific Performance Obligations. When an amount of consideration is received from a customer prior to the Agency transferring a good or service to the customer, the balance of the consideration which has not been transferred is presented as a contract liability. | | | | | | | | |
|  | Members of the public can pay cash upon entering a bus or can pay using a MyWay card. In order to use a MyWay card, a customer must pre-pay their bus fare by loading money onto their MyWay card, and then upon entering a bus they scan their card which deducts the amount of the fare from the card. Therefore, when customers use a MyWay card, fare revenue is collected by ‘Burley Griffin Agency’ before the bus services are provided. As such, ‘Burley Griffin Agency’ recognises the revenue paid upfront as a contract liability and it then recognises this as fare revenue once the customer scans their card. | | | | | | | | |
|  | ‘Burley Griffin Agency’ receives grants that have sufficiently specific performance obligations for conducting ecological surveys for ‘Example Commonwealth Department’. The grant payments are normally received in advance and accordingly are recognised as a contract liability until the milestones in the ecological survey funding agreement are met at which time the relevant amount is moved to revenue. | | | | | | | | |
|  |  | | | 2022  $’000 | | 2021  $’000 | | | |
|  | **Current Payables** **and Contract Liabilities** | | |  | |  | | | |
| AASB 101.77  AASB 9.5.1.1 & 5.3.1 | Trade Payables a | | |  | |  | | | |
| AASB 101.77 | Other Payables b | | |  | |  | | | |
| AASB 101.77 | Accrued Expenses c | | |  | |  | | | |
| AASB 15.116(a) | Amounts Received Related to Contracts with Customers for Fare Revenue where the Performance Obligations has not yet been Satisfiedd | | |  | |  | | | |
| AASB 15.116(a) | Amounts Received Related to Contracts with Customers for Ecological Survey Grants where the Performance Obligations has not yet been Satisfied | | |  | |  | | | |
|  | **Total Current Payables and Contract Liabilities** | | |  | |  | | | |
|  |  | | |  | |  | | | |
|  | **Non-Current Payables and Contract Liabilities** | | |  | |  | | | |
| AASB 101.77  AASB 9.5.1.1 & 5.3.1 | Trade Payables a | | |  | |  | | | |
| AASB 101.77 | Other Payables b | | |  | |  | | | |
|  | Amounts Received Related to Contracts with Customers for Ecological Survey Grants where the Performance Obligations has not yet been Satisfied | | |  | |  | | | |
|  | **Total Non-Current Payables and Contract Liabilities** | | |  | |  | | | |
|  | **Total Payables and Contract Liabilities** | | |  | |  | | | |
| **Reference** | **Note 24. Payables and Contract Liabilities – Continued** | | | | | | | | |
|  | a) The decrease in Trade Payables of $xxx mainly relates to restructuring of the Maintenance Agency. | | | | | | | | |
|  | b) The increase in Other Payables of $xxx is due to a large capital works invoice received late in the reporting period. | | | | | | | | |
|  | c) The increase in Accrued Expenses of $xxx is mainly due to increased capital works and legal expenses. | | | | | | | | |
| AASB 15.118 | d) The increase contract liability of $xxx is due to lower bus patronage from the COVID-19 lockdown in Canberra during August, September and October 2021, resulting in MyWay cards having a higher balance on average than usual. | | | | | | | | |
|  |  | | | | | | | | |
|  |  | | **2022** | | | **2021** | | | |
|  |  | | **$’000** | | | **$’000** | | | |
| AASB 15.116(b) | Revenue Recognised that was Included in the Contract Liability Balance at the Beginning of the Reporting Period | |  | | |  | | | |
| AASB 15.116(c) | Revenue Recognised from Performance Obligations Satisfied in Previous Periods | |  | | |  | | | |
| AASB 15.120(a) | Transaction Price Allocated to Unsatisfied (or Partially Unsatisfied) Performance Obligations | |  | | |  | | | |
|  |  | | | | | | | | |
|  | **Split of Payables and Contract Liabilities** | | | | | | | | |
| ACT Disclosure Policy | Current Payables | |  | | | |  | | |
| ACT Disclosure Policy | Non-Current Payables | |  | | | |  | | |
|  | **Total Payables** | |  | | | |  | | |
|  |  | |  | | | |  | | |
| ACT Disclosure Policy | Current Contract Liabilities | |  | | | |  | | |
| ACT Disclosure Policy | Non-Current Contract Liabilities | |  | | | |  | | |
|  | **Total Contract Liabilities** | |  | | | |  | | |
|  |  | |  | | | |  | | |
|  | **Total Payables and Contract Liabilities** | |  | | | |  | | |
|  |  | |  | | | | |  |
| ACT Disclosure Policy | **Payables are aged as follows:** | |  | | | | |  |
|  | Not Overdue | |  | | | | |  |
|  | Overdue for Less than 30 Days | |  | | | | |  |
|  | Overdue for 30 to 60 Days | |  | | | | |  |
|  | Overdue for More than 60 Days | |  | | | | |  |
|  | **Total Payables** | |  | | | | |  |
|  |  | | | | | | | |
|  | ‘Burley Griffin Agency’ expects that [x]% of the transaction price allocated to the unsatisfied performance will be recognised in 2022-23 with the remaining [x]% to be recognised as revenue during 2023-24. | | | | | | | |
|  |  | | | | | | | |
|  | Commentary – Note 24: Payables and Contract Liabilities | | | | | | | |
| ACT Disclosure Policy | An agency is not required to include disclosures associated with ageing of their payables where no payables are overdue. They can simply state that ‘No payables are overdue.’ | | | | | | | |
|  | The agency has a net Goods and Services Tax (GST) Receivable that is shown in Note 16 *Receivables and Contract Assets*. In most cases agencies will have a net GST Receivable. However, if a net GST Payable arises then this amount would be disclosed in this Payables and Contract Liabilities note. For example, a net GST Payable will occur where an agency derives a significant amount of its income from sources other than Controlled Recurrent Payments. | | | | | | | |
| Government Procurement Act Section 44 & 45 | The *Government Procurement Act 2001* requires interest to be paid where a commercial account is not paid in full by the 25th day of the month after the month in which the payment is due. Therefore agencies should ensure accounts are paid before interest becomes payable. | | | | | | | |
|  | **Contract Liabilities** | | | | | | | |
| AASB 15.105  AASB 15 Appendix A  Defined terms | A contract liability is defined as an agency’s obligation to transfer goods or services to a customer for which the agency has received consideration (or the amount of consideration is due) from the customer. | | | | | | | | |
| **Reference** | **Commentary – Note 24: Payables and Contract Liabilities – Continued** | | | | | | | | |
| AASB 15.105 | Common contract liability balances may include:   * amounts received in advance of delivery of goods; and * amounts received in advance of provision of services. | | | | | | | | |
| AASB 15.116(a) | Agencies must disclose contract liabilities separately from contract assets and contract receivables. | | | | | | | | |
| AASB 15.116(b) | Agencies should disclose the opening and closing balances of contract liabilities. | | | | | | | | |
| AASB 15.116(b) | Agencies must disclose revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year and revenue recognised from performance obligations satisfied in previous periods (for example due to a change in transaction price). | | | | | | | | |
| AASB 15.117  AASB 15.119(a)  AASB 15.119(b) | Agencies shall explain how the timing of the satisfaction of performance obligations relates to the typical timing of payment and the effect that those factors have on the contract liability. Quantitative information may be used. | | | | | | | | |
| AASB 15.118 | Agencies should explain significant changes in the balances of contact liabilities. Reasons for this change may include:   * business combinations; * cumulative catch-ups, such as those arising from a change in the measure of progress, a change in an estimate of the transaction price or a modification; and * a change in timeframe – for performance obligations to be satisfied. | | | | | | | | |
|  | Note 25. Borrowings | | | | | | | |
|  | **Description and Material Accounting Policies Relating to Borrowings** | | | | | | | |
|  | *ACT Government borrowings and Commonwealth Government borrowings* | | | | | | | |
|  | Interest-bearing borrowing liabilities comprise short and long-term debt securities issued by the Territory and Commonwealth Government loans assigned by the Commonwealth at the time of self-government. | | | | | | | |
| AASB 7.21,  AASB 123.6(a) | Both ACT Government and Commonwealth Government Borrowings are financial liabilities and are measured at the fair value of the consideration received when initially recognised and at amortised cost subsequent to initial recognition, with any adjustments to the carrying amount being recorded in the Operating Statement. The associated interest expense is recognised in the reporting period in which it occurs. | | | | | | | |
|  | *Service Concession Arrangement Liability* | | | | | | | |
|  | In 2016 ‘Burley Griffin Agency’ entered in a service concession arrangement with ‘Example Metro’ 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. As part of these arrangements ‘Burley Griffin Agency’ has taken up a service concession arrangement liability. For more information in relation to service concession arrangements refer to Note 39 *Service Concession Arrangements*. | | | | | | | |
| AASB 1059.11, 12 & 15 | A service concession liability is initially recognised as a financial liability where the grantor has a contractual obligation to make specified or determinable future payments to the operator for the construction, development, acquisition or upgrade of a service concession asset. The service concession financial liability is recognised at the same time as recognising or reclassifying a service concession asset. The service concession financial liability is initially measured at the same amount as the asset, adjusted for any other consideration exchanged between ‘Burley Griffin Agency’ and the operator. | | | | | | | |
| AASB 1059.B73 & B74 | Where a service concession arrangement involves both payments to the operator and a grant of a right to the operator (Hybrid Arrangement), then ‘Burley Griffin Agency’ recognises both a financial liability and an unearned revenue liability. The financial liability part is measured first, with the remainder of the total liability (ie amount of the service concession asset) allocated to the unearned revenue liability. The financial liability portion is calculated by discounting future payments using the contractually specified interest rate or otherwise a prevailing market rate for a similar instrument with a similar credit rating. | | | | | | | |
| ACT Accounting Policy | All borrowings of ‘Burley Griffin Agency’ are unsecured. | | | | | | | |
|  |  | | | | | | | |
|  |  | | **2022**  **$’000** | | **2021**  **$’000** | | | |
| AASB101.77  ACT Disclosure Policy | **Current** **Borrowings** | |  | |  | | | |
|  | ACT Government Borrowingsa | |  | |  | | | |
|  | Commonwealth Borrowings | |  | |  | | | |
|  | Service Concession Arrangement Financial Liability | |  | |  | | | |
|  | **Total Current Borrowings** | |  | |  | | | |
| **Reference** | Note 25. Borrowings – Continued | | | | | | | |
|  |  | | **2022**  **$’000** | | **2021**  **$’000** | | | |
| AASB101.77 | **Non-Current Borrowings** | |  | |  | | | |
|  | ACT Government Borrowingsa | |  | |  | | | |
|  | Commonwealth Borrowings | |  | |  | | | |
|  | Service Concession Arrangement Financial Liability | |  | |  | | | |
|  | **Total Non-Current Borrowings** | |  | |  | | | |
|  | **Total Borrowings** | |  | |  | | | |
|  |  | |  | |  | | | |
|  | 1. The overall decrease in ACT Government borrowings of $xxx is due to a planned reduction in borrowings throughout 2021-22. | | | | | | | |
|  |  | | | | | | | | |
|  | **Credit Facilities** | | | | | | | | |
| ACT Disclosure Policy | There are no formal credit facilities in place for the Agency with the Territory's appointed transactional bank.  If the Agency’s accounts go into overdraft throughout the year, the Agency is not charged interest as its bank accounts are set-off accounts as part of the Whole-of-Government Banking arrangements. However, the overdraft position is required to be rectified as soon as possible. The Agency went into overdraft for a short period of time in November 2021, and rectified the situation immediately. | | | | | | | | |
| **Reference** | **Commentary − Note 25: Borrowings** | | | | | | | | |
|  | **Credit Facilities** | | | | | | | | |
|  | Agencies can have either set-off or non set-off bank accounts through the Territory Banking Account with Westpac as part of the Whole-of-Government Banking Arrangement. Agencies that have set-off bank accounts will not be charged interest where the bank account is overdrawn at any stage throughout the financial year. However, agencies that have non set-off bank accounts will be charged interest where the bank account is overdrawn. Interest paid on overdrawn non set-off bank accounts should be recorded as interest expense in Note 13 *Borrowing Costs*. | | | | | | | | |
| FMA Sec 34B(2) | It is important to note that Directors-General of agencies manage the balance of the Controlled bank account. If at the end of the year the closing balance is negative, the Director-General of that agency will be required to implement a debt reduction strategy, as soon as possible. | | | | | | | | |
|  | Some agencies have received interest-free loans from the Environment, Planning and Sustainable Development Directorate under the Carbon Neutral Government Fund. These loans can be disclosed under a separate Note ‘Interest‑Free Borrowings’. | | | | | | | | |
|  | Note 26 Lease Liabilities | | | | | | | | | |
| AASB 16.59 | **Agency as a Lessee** | | | | | | | | | |
|  | The Agency has leases over a range of assets including buildings, motor vehicles, ICT equipment, specialised plant and equipment, concessionary land and public private partnership assets. There are a number of leasing arrangements that have resulted in the recognition of a lease liability while other leasing arrangements have not resulted in a liability being recognised. The below table provides information relating to the leases in place and a split between those that have been taken up as a lease liability and those that have not. | | | | | | | | | |
|  | **Leases that have resulted in ‘Burley Griffin Agency’ recognising a lease liability are as follows:** | | | | | | | | | |
|  | *Terms and Conditions of Leases* | | | | | | | | | |
|  | Motor vehicles | The Agency holds 145 motor vehicle leases (140 in 2021). The terms vary from two years to three years. These leases allow for extensions, but have no terms of renewal or purchase options, nor escalation clauses. | | | | | | | | |

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| **Reference** | **Note 26 Lease Liabilities – Continued** | |
|  | Specialised plant and equipment | Leases for specialised plant and equipment have lease terms which vary from 3 – 10 years and there is generally no extension or renewal options.  Where the lease contains a purchase option, the purchase price is included in the lease liability where the Agency believes it is reasonably certain that the purchase option will be exercised. |
|  | Public Private Partnership (PPP) | ‘Burley Griffin Agency’ has entered into a PPP agreement with ‘Example Private Sector Entity’ for the design, construction and financing of a new court building as well as the subsequent provision of facilities management and support services. ‘Burley Griffin Agency’ determined that this arrangement was not a Service Concession Arrangement under AASB 1059 but instead the arrangement fell within the requirements of the leasing standard (AASB 16). The design and construction of the new court building was completed in June 2020, and as such, ‘Burley Griffin Agency’ recognised a lease liability and a corresponding lease asset at this date. The lease term is 25 years and will therefore expire in June 2045. |
|  | Building leases – Specialised Depot Building | The Agency has one lease for a specialised depot building which expires in six years. The lease has varying terms, escalation clauses and renewal rights in order to provide flexibility to the Agency and the extension options are exercisable only by the Agency. The lease agreement gives the Agency the right to renew the lease for up to twice the initial term.  There are no conditions in the lease agreements requiring the Agency to restore the site which the leased building is situated.  The depot lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception. |
| AASB 16.Aus59.1 | Concessionary land leases (also referred to as peppercorn leases) | The Agency has a 30 year concessionary lease from ‘ABC Agency’ for use of land. The lease expires in 2044, with a rental of $xxx per year which is well below market value. ‘Burley Griffin Agency’ is dependent on the use of the land to further its objectives of conducting ecological studies and using the results to provide policy advice to Government. The land is restricted to provision of community services in accordance with the objectives of the Agency to local residents. |
|  | **Leases that have not resulted in ‘Burley Griffin Agency’ recognising a lease liability are as follows:** | |
|  | *Terms and Conditions of Leases* | |
| ACT Accounting Policy | Building leases – office accommodation | The Agency has a Memorandum of Understanding (MoU) for each of two office buildings with the ACT Property Group (ACTPG). A lease asset and lease liability have been recognised by ACTPG for these office buildings in accordance with ACT Government Office Accommodation Accounting Policy, and as such, ‘Burley Griffin Agency’ has not recognised a lease liability for these buildings.  One of the MOUs expires in three years and the second one expires in five years. There are no conditions in the MOUs requiring the Agency to restore the leased buildings to the physical state they were in prior to the commencement of the MOUs. The MOUs contain an annual pricing mechanism based on CPI movements at each anniversary of the inception of the MOUs. |
|  | IT equipment | The Agency has numerous leases for IT equipment. ‘Burley Griffin Agency’ has determined that these leased assets are low value and as such has used the exemption for leases of low value assets. Therefore ‘Burley Griffin Agency’ does not take up a lease liability for these leases but instead accounts for the cost of these leases as an expense through the Operating Statement as incurred.  Where the lease contains a purchase option, the purchase price is included in the lease liability where the Agency believes it is reasonably certain that the purchase option will be exercised. |
| AASB16.59bii | **Extension Options**  Where a lease contains extension options, at commencement date and at each subsequent reporting date, the Agency assesses where it is reasonably certain that the extension options will be exercised.  There are $xxx in potential future lease payments which are not included in lease liabilities as the Agency has assessed that the exercise of the option is not reasonably certain | |

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| **Reference** | NOTE 26 LEASE LIABILITIES – Continued |
|  | **Material Accounting Policies Relating to Lease Liabilities** |
|  | At the lease commencement date, the Agency recognises a right-of-use asset and associated lease liability for the lease term. |
|  | The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. |
|  | 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. |
|  | 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 Agency’s assessment of lease term. |
|  | Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. |
| ACT Accounting Policy | The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, a rate that reflects the lessee’s incremental borrowing rate is used, which is in line with ACT Government Accounting Policy. |
|  | At inception of a contract, the Agency assesses whether a lease exists, that is, does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. |
|  | This involves an assessment of whether:   * the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset; * the Agency has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; * the Agency 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 Agency has elected not to separate non-lease components from lease components for leases, except for specialised plant and equipment contracts which contain both a lease component and non-lease component. The non-lease component is material and relates to maintenance services for the specialised plant and equipment. The Agency allocates the contractual payments to each component on the basis of their stand-alone prices. |
|  | Where the non-lease components have been separated, they are recognised as an expense as incurred in the operating statement. |
|  | **Exceptions to Lease Accounting** |
|  | The Agency has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. |
|  | The Agency recognises the payments associated with these leases as an expense on a straight-line basis over the lease term. |
|  | The Agency has elected not to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modification in accordance with AASB 16. This election has been applied given the revised consideration for all the leases is less than before the change, as well as this reduction effects only payments originally due on or before 30 June 2021, and there was no substantive change to other terms and conditions of the lease. |

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| **Reference** | NOTE 26 LEASE LIABILITIES – Continued | | | |
|  |  | **2022 $’000** | **2021**  **$’000** |
|  |  |  |  |
| AASB 16.47(b) | **Current Lease Liabilities** |  |  |
|  | Motor Vehicles |  |  |
|  | Specialised plant and equipment leases |  |  |
|  | Concessionary land leases |  |  |
|  | Building leases – Specialised Depot Building |  |  |
|  | Public private partnership (PPP) lease liabilities |  |  |
|  | **Total Current Lease Liabilities** |  |  |
|  |  |  |  |
| AASB 16.47(b) | **Non-Current Lease Liabilities** |  |  |
|  | Motor Vehicles |  |  |
|  | Specialised plant and equipment leases |  |  |
|  | Concessionary land leases |  |  |
|  | Building leases – Specialised Depot Building |  |  |
|  | Public private partnership (PPP) lease liabilities |  |  |
|  | **Total Non-Current Lease Liabilities** |  |  |
|  | **Total Lease Liabilities** |  |  |
|  |  |  |  |
|  | **Reconciliation of Lease Liabilities** |  |  |
|  | Opening Balance of Lease Liabilities |  |  |
|  | Add: Additional Lease Liabilities taken up in the Current Reporting Period |  |  |
| AASB 16.53(g) | Less: Payments to Reduce the Principal of the Liability |  |  |
| AASB 16.53(b) | Less: Interest Expense |  |  |
|  | **Closing Balance of Lease Liabilities** |  |  |
|  |  |  |  |
| AASB 16.53(g) | ‘Burley Griffin Agency’ had total cash outflows relating to leases of $xxx in 2021-22 ($xxx in 2020-21). | | |
| **Reference** | **Commentary − Note 26: Lease Liabilities** | | |
|  | The AASB 16 *Leases* disclosure objective is to ensure that users of the financial statements can assess the effect that leases have on the financial statements. AASB 16 contains both quantitative and qualitative disclosures. | | |
|  | The disclosure objective should be used by Agencies to assess whether the overall quality and extent of the lease disclosures are sufficient rather than just mechanically following the lease disclosures in the Model Financial Statements. | | |
| AASB 16.52 | Lessees are required to disclose information about their leases for which they are a lessee in a single note, separately in the financial statements or cross referenced throughout the notes. ACT Accounting Policy requires presentation in a single note. | | |
| AASB 16.B9 | For lessors, information relating to investment properties under leases should be included in the investment property note. | | |

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| **Reference** | **Commentary − Note 26: Lease Liabilities – Continued** |
| AASB 16.B24 | **Identification of a Lease**  To assess whether a contract conveys the right to control the use of an identified asset, agencies should assess whether they have:   * the right to obtain substantially all of the economic benefits from use of the identified asset (e.g. by having exclusive use of the asset through the lease period); and * the right to direct the use of the identified asset.   In considering whether the relevant asset is an identified asset, Agencies should consider whether the asset is explicitly identified (e.g. by serial number, building floor and address) or implicitly identified (e.g. through the asset being specialised and / or customised). If the lessor has a substantive substitution right (i.e. can swap the asset and there is economic incentive to do so) then there is no identified asset. In accordance with ACT Accounting Policy, this substantive substitution right is relevant to properties leased through ACT Property Group.  A lessee has the right to direct the use of the asset only, if either:   * they have the right to direct how and for what purpose the asset is used throughout the period of use; or * the relevant decisions about how and for what purpose the asset is used are predetermined and:   + they have the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions, or   + they designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use. |
|  | **Variable Lease Payments Disclosures** | |
| AASB 16.B49 | Where the Agency leases have variable lease payments, additional information should be considered to satisfy the disclosure objective, for example:   * the Agency’s reasons for using variable lease payments and the prevalence of those payments; * the relative magnitude of variable lease payments to fixed payments; * key variables upon which variable lease payments depend and how payments are expected to vary in response to changes in those key variables; and * other operational and financial effects of variable lease payments. | |
| AASB 16.B51 | **Residual Value Guarantee Disclosures**  Where the Agency has leases with residual value guarantees then consider additional information to satisfy the disclosure, for example:   * the reasons for providing residual value guarantees and the prevalence of those guarantees; * the magnitude of the exposure to residual value risk; * the nature of underlying assets for which those guarantees are provided; and * other operational and financial effects of those guarantees. | |
| AASB 16.46A | **COVID-19 and Lease Modification** | |
|  | As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification only where:   * the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; * any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2022); and * there is no substantive change to other terms and conditions of the lease. | |
|  | Where this practical expedient is applied, the lessee shall disclose:   * that it has applied the practical expedient to all rent concessions that meet the conditions outlined above or, if not applied to all such rent concessions, information about the nature of the contracts to which it has applied the practical expedient; and * the amount recognised in profit or loss for the reporting period to reflect changes in lease payments that arise from rent concessions to which the lessee has applied the practical expedient. | |

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| **Reference** | Note 27. Employee Benefits |
|  | **Description and Material Accounting Policies Relating to Employee Benefits Liabilities** | |
| Model Financial Statements Guidelines - 1. 6 Application – ACT Disclosure Policy | *Accrued Wages and Salaries* | |
| Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period. | |
|  | *Annual and Long Service Leave* | |
| Model Financial Statements Guidelines - 1.6 Application – ACT Disclosure Policy | Annual and long service leave, including applicable on-costs, that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service, are measured at the present value. The present value is determined based on the estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. | |
|  | Annual leave liabilities have been estimated on the assumption they will be wholly settled within three years. This financial year the rate used to estimate the present value of future:   * annual leave payments is XX% (100.2% in the previous financial year); and * payments for long service leave is XX% (108.7% in the previous financial year). | |
| AASB 119.60, 66 & 156 | The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs. | |
|  | On-costs only become payable if the employee takes annual and long service leave while in-service. The probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs. | |
|  | Significant judgements have been applied in estimating the annual and long service leave liabilities, given that ‘Burley Griffin Agency’ uses the Whole-of-Government present value, probability and on-cost factors. These factors are issued by ACT Treasury and apply to all ACT Government Agencies. ACT Treasury organises an actuarial review to be undertaken every three by the Australian Government Actuary to estimate each of these factors. The latest assessment was undertaken in December 2021, with the next review expected to be undertaken by early 2025. | |
| AASB 101.69 | Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the agency has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service. | |
|  | *Superannuation Liability* | |
|  | The employer superannuation benefits payable to ‘Burley Griffin Agency’ employees, who are members of the defined benefit CSS or PSS Schemes, are recognised in the financial statements of the Superannuation Provision Account. | |
|  | COVID-19 Impact | |
|  | As part of the ACT Government’s response to the COVID-19 pandemic a ‘Jobs for Canberrans’ program was established to provide secure work opportunities for Canberrans who have relied on casual work and are not eligible for the Australian Government’s wage subsidy scheme. This program has had a material impact on employee expenses with an additional 27 staff being employed throughout 2021‑22 under this program at a cost of $xxx. | |

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| **Reference** | Note 27. Employee Benefits – Continued | | | |
|  |  | 2022  $’000 | | 2021  $’000 |
| ACT Accounting Policy | **Current Employee Benefits** |  | |  |
|  | Annual Leave |  | |  |
|  | Long Service Leavea |  | |  |
|  | Accrued Salaries |  | |  |
|  | Termination Benefits due to Restructureb |  | |  |
|  | Other Benefits |  | |  |
|  | **Total Current Employee Benefits** |  | |  |
|  |  |  | |  |
| ACT Accounting Policy | **Non-Current Employee Benefits** |  | |  |
|  | Long Service Leavea |  | |  |
|  | Other Benefits |  | |  |
|  | **Total Non-Current Employee Benefits** |  | |  |
|  | **Total Employee Benefits** |  | |  |
|  |  |  | |  |
|  | **Estimate of when Leave is Payable** |  | |  |
| AASB 101.61(a) | **Estimated Amount Payable within 12 Months** |  | |  |
|  | Annual Leave |  | |  |
|  | Long Service Leave |  | |  |
|  | Accrued Salaries |  | |  |
|  | Termination Benefits due to Restructure |  | |  |
|  | Other Benefits |  | |  |
|  | **Total Employee Benefits Payable within 12 Months** |  | |  |
|  |  |  | |  |
| AASB 101.61(b) | **Estimated Amount Payable after 12 Months** |  | |  |
|  | Long Service Leave |  | |  |
|  | Annual Leave |  | |  |
|  | Other Benefits |  | |  |
|  | **Total Employee Benefits Payable after 12 Months** |  | |  |
|  | **Total Employee Benefits** |  | |  |
|  |  | | | |
|  | As at 30 June 2022 the Agency employed 947 full time equivalent (FTE) staff. There were 927 FTE staff at 30 June 2021. | | | |
|  | a) The increase in Long Service Leave liability of $xxx is due to the present value percentage changing from 108.7% to [XX%\*]. \*Percentage to be provided in early July each year. | | | |
|  | b) The increase in the provision for termination benefits of $xxx relates to the restructuring of a maintenance division, which will affect 60 employees. See Note 28 *Other Provisions*. | | | |
|  | Commentary - Note 27: Employee Benefits | | | |
| AASB 137.5(b) | AASB 137 *Provisions, Contingent Assets and Contingent Liabilities* does not apply to employee benefit provisions and therefore the disclosure requirements in that standard do not have to be applied to employee benefits. | | | |
|  | **Annual Leave and Long Service Leave Liabilities** | | | |
| AASB 101.69 | **Classification**  A liability is required to be classified as current when it satisfies any of the following criteria:   * it is expected to be settled in the agency’s normal operating cycle; * it is held primarily for the purpose of being traded; * it is due to be settled within 12 months after the reporting date; or * the agency does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. | | | |
|  | All other liabilities shall be classified as non-current. | | | |
| **Reference** | Commentary - Note 27: Employee Benefits – Continued | | | |
|  | The effect of the last bullet point above is that all annual leave and unconditional long service leave is to be classified as current. An agency does not have an unconditional right to defer the payment of annual leave or unconditional long service leave. For example, the meeting of these obligations could not be deferred if the employee were to resign. This leave is required to be classified as current when the employee is entitled to the leave rather than when the leave is expected to be taken. | | | |
|  | Conditional long service leave is classified as a non-current liability as an agency has an unconditional right to defer settlement of the liability for at least 12 months. Agencies should refer to the requirements of their workplace agreements to determine whether leave is conditional or unconditional. For example, for most agencies, employees with a service period of between 1 and 6 years would have conditional long service leave which is to be classified as non-current. | | | |
|  | **Termination Benefits** | | | |
| AASB 119.159  AASB 119.162&163 | A termination benefit only arises if it is provided in direct exchange for the termination of employment; not on any other exchange (e.g. benefits cannot include provisions for future services by an employee). A benefit that is in any way dependent upon providing services in the future is not a termination benefit. | | | |
|  | Note 28. Other Provisions | | | |
|  | Description and Material Accounting Policies Relating to Other Provisions | | | |
|  | Provisions are recognised when ‘Burley Griffin Agency’ has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. | | | |
|  | *Provision for Restructuring* | | | |
| AASB 137.85(a) &(b) | In May 2020, the Agency announced publicly that it would be undertaking a restructuring of a maintenance division that would result in the closure of the division and in 60 employees being made redundant. A detailed formal restructuring plan has been prepared that outlines the timeframe of the restructure along with the cost, division concerned (and its location) and the number of redundant staff. Restructuring is expected to be completed towards the end of the next reporting period. | | | |
| AASB 137.72 | The provision for restructuring is recognised at the point in time when a formal detailed plan has been completed and ‘Burley Griffin Agency’ has raised a valid expectation, in those affected, that the restructuring will occur. A valid expectation is usually raised when the agency announces the main features of the plan to those affected or where it starts to implement the plan. | | | |
|  | *Provision for Restoration of Contaminated Site* | | | |
| AASB 137.85(a) &(b) | In November 2019, it was discovered that waste had leaked from containers and contaminated the area in which they were buried and also contaminated nearby farmland. The Agency has undertaken to clean up the contaminated area where the waste was buried and has therefore taken up a provision for the restoration of this contaminated site as the clean-up of this site is expected to be performed over the next two years. | | | |
|  | This provision has been measured based on the Agency’s best estimate of the cost to remediate the site. Given that this will take place over a two year period, the present value of this cost estimate has been used as the initial value of the provision. | | | |
| AASB 137.88 | There are currently court proceedings under way to determine the Agency’s liability in relation to the farmland (see Note 33 *Contingent Liabilities and Contingent Assets*). | | | |
|  | *Provision for Dividend [This disclosure is primarily for Territory Authorities]* | | | |
| AASB 137.85 | The Agency has proposed a final dividend of $xxx and this amount was appropriately authorised to be paid before the end of the reporting period. The amount will be paid to the ACT Government in July 2022. | | | |
|  | *Provision for Make Good* | | | |
| AASB 137.85(a) &(b) | On 1 July 2016 the Agency entered into a lease agreement for some office space in Civic. There are clauses within the lease agreement which require the Agency, upon cessation of the tenancy, to return the office space to the condition it was in before it was leased (this is referred to as ‘make good’). The tenancy runs for 10 years. | | | |
|  | The Provision for Make Good is measured at the present value of the estimated expenditure required to remove the leasehold improvements. This is calculated by discounting it nominal value using a rate that reflects a current market assessment of the risk specific to the liability. This initial estimate of the restoration costs has been capitalised into the cost of the building. | | | |
| **Reference** | Note 28. Other Provisions – Continued | | | |
|  | On 1 July 2016 the Agency also constructed $xxx of leasehold improvements in the building. On that date the estimated costs to make good those improvements were $xxx. At 30 June 2026 (the end of the 10 years tenancy) the approximate cost would be $xxx to meet the make good obligation. The present value of $xxx, using the 10 year Government bond rate as at 1 July 2016 (XX%), is approximately $xxx. | | | |
|  |  | | 2022  $’000 | 2021  $’000 |
|  | **Current Other Provisions** | |  |  |
| AASB 101.77 | Provision for Restoration of Contaminated Site | |  |  |
| AASB 101.77 | Provision for Restructuring | |  |  |
| AASB 101.77 | Provision for Dividend [This line item is primarily for Territory Authorities] | |  |  |
|  | **Total Current Other Provisions** | |  |  |
|  |  | |  |  |
|  | **Non-Current Other Provisions** | |  |  |
| AASB 101.77 | Provision for Restoration of Contaminated Site | |  |  |
| AASB 101.77 | Provision for Restructuring | |  |  |
| AASB 101.77 | Provision for Make Good | |  |  |
|  | **Total Non-Current Other Provisions** | |  |  |
|  | **Total Other Provisions** | |  |  |

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| **Reference** | **Note 28. Other Provisions – Continued** | | | | |
|  | **Reconciliation of Other Provisions – 2021-22** | | | | |
|  |  | **Provision for:** | | | |
|  |  | **Restructuring** | **Restoration of Contaminated Site** | **Make Good** | **Dividends** |
|  |  | **$’000** | **$’000** | **$’000** | **$’000** |
| AASB 137.84 (a) | Provision at the Beginning of the Reporting Period |  |  |  |  |
| AASB 137.84 (b) | Additional Provision Recognised |  |  |  |  |
| ASB 137.84(c) | Reduction in Provision as a Result of Payments |  |  |  |  |
| ASB 137.84(c) | Reduction in Provision due to a Change in Accounting Estimate |  |  |  |  |
| AASB 137.84(d) | Provision reversed during the Year |  |  |  |  |
| AASB 137.84(e) | Unwinding of discount or change in discount rate |  |  |  |  |
| AASB 137.84 (a) | **Provision at the End of the Reporting Period** |  |  |  |  |

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| **Reference** | Commentary − Note 28: Other Provisions |
| AASB 137.85 | For each class of provision the following must be disclosed:   * a brief description of the nature of the obligation and the expected timing of any resulting outflow of economic benefits; * an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an agency shall disclose the major assumptions made concerning future events; and * the amount of any related estimated reimbursement, stating the amount of any asset recognised for that expected reimbursement. |
| AASB 137.84 | Movements during the reporting period for each class of provision must be disclosed for the current year only (i.e. comparative information is not required) showing separately:   * the carrying amount at the beginning and end of the reporting period; * additional provisions made in the period (including increases to existing provisions); * amounts incurred or charged against the provision during the reporting period; * unused amounts reversed during the reporting period; and * increases during the period in the discounted amount arising from the passage of time and the effect of any changes in the discount rate. |
|  | The above movements must be separately shown for each provision reconciliation where there are material amounts to be disclosed. |
| AASB 137.92 | In extremely rare cases, where disclosure of information regarding provisions, contingent liabilities or contingent assets is expected to seriously prejudice the position of the agency, in a dispute with other parties, the agency need not disclose the information. However, the agency must provide information regarding the general nature of the dispute, together with the reason for non-disclosure. |
|  | Onerous Contracts |
| AASB 137.66 & 68 | An onerous contract is a contract in which the unavoidable costs of meeting the obligation under the contract exceed the economic benefits expected to be received under it. The present obligation under an onerous contract shall be recognised and measured as a provision. Where the impact of COVID-19 results in increased costs to meet, or reduced benefits from, an executory contract, management need to assess whether the contract has become onerous and a provision needs to be recognised. |
|  | Restructuring and Sale of an Operation |
| AASB 137.78 | Where an agency is restructuring its operations and as part of the restructuring is selling that operation, no obligation arises for the sale until there is a binding sale agreement as well as a constructive obligation. |
|  | **Recognition of Liabilities** |
| AASB 137.Aus 26.1 | The intention to make payments to other parties, whether advised in the form of a government budget policy, election promise or statement of intent, does not of itself create a present obligation which is binding. A liability would be recognised only when the agency is committed in the sense that it has little or no discretion to avoid the sacrifice of future economic benefits. For example, a government does not have a present obligation to sacrifice future economic benefits for social welfare payments that might arise in future reporting periods. A present obligation for social welfare payments arises only when entitlement conditions are satisfied for payment during a particular payment period. Similarly, a government does not have a present obligation to sacrifice future economic benefits under multi-year public policy agreements until the grantee meets conditions such as grant eligibility criteria, or has provided the services or facilities required under the grant agreement. In such cases, only amounts outstanding in relation to current or previous periods satisfy the definition of liabilities. |
| AASB 137.Aus 26.2 | Such transactions or events may give rise to legal, social, political or economic consequences which leave little, if any, discretion to avoid a sacrifice of future economic benefits. In such circumstances, the definition of a liability is satisfied. An example of such an event is the occurrence of a disaster, where a government has a clear and formal policy to provide financial aid to victims of such disasters. In this circumstance, the government has little discretion to avoid the sacrifice of future economic benefits. However, the liability is recognised only when the amount of financial aid to be provided can be measured reliably. |

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | Note 29. Other Liabilities | | |
|  | Description and Material Accounting Policies Relating to Other Liabilities | | |
|  | *Revenue Received in Advance* | | |
| AASB 101.77 & 78 | Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all are recorded as revenue. Revenue received in advance arises from transactions that are not contracts with customers. | | |
|  | *Rent Received in Advance* | | |
|  | ‘Burley Griffin Agency’ charges rent on its commercial investment property buildings monthly in advance. Before the end of the financial year ‘Burley Griffin Agency’ had received the rent for its commercial properties for July 2022 and as such has recognised this rent as a liability at 30 June 2022. | | |
|  | *Service Concession Unearned Revenue Liability* | | |
|  | As part of the arrangements with ‘Example Metro’, ‘Burley Griffin Agency’ has taken up a service concession arrangement Unearned Revenueliability. For more information in relation to service concession arrangements refer to Note 39 *Service Concession Arrangements*. | | |
|  | *Liabilities Arising from Assets being Constructed or Acquired which will be Controlled by the Agency* | | |
| AASB 1058.32  AASB 1058.35 | Liabilities relating to funds received in advance from the Commonwealth Government for the construction of ABC highway which will be controlled by the Agency when complete. The liability is reducing as revenue is recognised on a costs incurred basis over the course of construction in accordance with the satisfaction of the performance obligation which is over time as the Agency receives the benefit as the work is performed. | | |
|  |  | | |
|  |  | 2022  $’000 | 2021  $’000 |
| ACT Disclosure Policy | **Current Other Liabilities** |  |  |
| AASB 101.77 | Revenue Received in Advance |  |  |
| AASB 101.77 | Rent Received in Advance |  |  |
| AASB 1058.31 | Liabilities under Transfers to Acquire or Construct Non-Financial Assets to be Controlled by the Agency |  |  |
|  | Grant of a Right to the Operator Liability |  |  |
| AASB 101.77 | Other |  |  |
|  | **Total Current Other Liabilities** |  |  |
| ACT Disclosure Policy | **Non-Current Other Liabilities** |  |  |
| AASB 101.77 | Revenue Received in Advance |  |  |
|  | Grant of a Right to the Operator Liability |  |  |
|  | **Total Non-Current Other Liabilities** |  |  |
|  | **Total Other Liabilities** |  |  |
|  |  |  |  |
|  | **Reconciliation of Unearned Capital Grants arising from the transfer to acquire or construct non-financial assets to be controlled by ‘Burley Griffin Agency’** | | |
| AASB 1058.31 | Unearned grants to Acquire or Construct Assets at the beginning of the Financial Year |  |  |
| AASB 1058.31 | Add: Grant receipts received during the financial year for capital works |  |  |
| AASB 1058.31 | Less: Recognition of grant income for capital works completed during the financial year |  |  |
| AASB 1058.31 | **Total unearned grants to Acquire or Construct Assets at the end of the Financial Year** |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reference** | Note 30. Restructure of Administrative Arrangements [Directorates Only] | | | |
| AASB 1004.57 | **Restructures of Administrative Arrangements 2021-22** | | | |
|  | On 7 January 2022, a restructuring of administrative arrangements occurred between ‘Burley Griffin Agency’ and ABC Directorate involving a Heritage and Environment division. The Heritage and Environment division is a separate output which has been incorporated into Output Class 3 – Environment and Heritage within ‘Burley Griffin Agency’. The heritage function is responsible for the development of heritage policy as well as the maintenance of a number of large heritage assets. The 180 employees and the large heritage assets attached to this function were transferred to ‘Burley Griffin Agency’ as part of this restructuring of administrative arrangements. The environment function is responsible for the development of policy frameworks and providing advice on the management and protection of the environment. It also administers a small grants program for organisations operating in an environmentally friendly manner. The transfer of this function involved 90 staff moving to ‘Burley Griffin Agency’. | | | |
|  | **Income and Expenses** | | | |
|  | The following table shows the income and expenses associated with the Heritage and Environment division recognised by ‘Burley Griffin Agency’ for the year ended 30 June 2022. It also shows the income and expenses relating to when the division belonged to ABC Directorate. These income and expense figures were supplied by ABC Directorate and as such have been relied upon by ‘Burley Griffin Agency’. Finally, the table shows the total income and expenses of the division for the whole financial year. | | | |
|  |  | **Amounts Relating to when the Function was held by ABC Directorate**  **July 2021 to Jan 2022**  **$’000** | **Amounts Relating to when the Function was held by ‘Burley Griffin Agency’**  **Jan 2022 to June 2022**  **$’000** | **Total**  **2022**  **$’000** |
|  | **Income** |  |  |  |
|  | Controlled Recurrent Payments |  |  |  |
|  | **Total Income** |  |  |  |
|  | **Expenses** |  |  |  |
|  | Employee Expenses |  |  |  |
|  | Superannuation Expenses |  |  |  |
|  | Supplies and Services |  |  |  |
|  | Depreciation and Amortisation |  |  |  |
|  | Grants and Purchased Services |  |  |  |
|  | **Total Expenses** |  |  |  |
|  |  | | | |
|  | Details of the Assets and Liabilities transferred are presented below. | | | |
|  |  | | | |
| AASB 1004.57 | **Restructures of Administrative Arrangements 2020-21** | | | | |
|  | On 1 June 2021, a restructuring of administrative arrangements occurred between ‘Burley Griffin Agency’ and XYZ Directorate involving a Heritage division. The XYZ heritage function is responsible for the management and maintenance of a number of large heritage assets, which are used for educational purposes for ACT Government schools. There were five employees and the heritage assets attached to this function were transferred to ‘Burley Griffin Agency’ as part of this restructuring of administrative arrangements. | | | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference** | **Note 30. Restructure of Administrative Arrangements [Directorates Only] – Continued** | | | | | | |
|  | **Income and Expenses** | | | | | | |
|  | The following table shows the income and expense items associated with the Heritage division recognised by ‘Burley Griffin Agency’ for the year ended 30 June 2021. It also shows the income and expenses relating to when the division belonged to XYZ Directorate. These income and expense figures were supplied by XYZ Directorate and as such have been relied upon by ‘Burley Griffin Agency’. Finally, the table shows the total income and expenses of the division for the whole financial year. | | | | | | |
|  |  | **Amounts Relating to**  **when the Function was held by the XYZ Directorate July 2020 to May 2021**  **$’000** | | **Amounts Relating to when the Function was held by ‘Burley Griffin Agency’ June 2021 to June2021**  **$’000** | | **Total**  **2021**  **$’000** | |
|  | **Income** |  | |  | |  | |
|  | Controlled Recurrent Payments |  | |  | |  | |
|  | **Total Income** |  | |  | |  | |
|  |  |  | |  | |  | |
|  | **Expenses** |  | |  | |  | |
|  | Employee Expenses |  | |  | |  | |
|  | Superannuation Expenses |  | |  | |  | |
|  | Supplies and Services |  | |  | |  | |
|  | Depreciation and Amortisation |  | |  | |  | |
|  | Grants and Purchased Services |  | |  | |  | |
|  |  |  | |  | |  | |
|  | **Total Expenses** |  | |  | |  | |
|  |  | | | | | | |
|  | **Assets and Liabilities** | | | | | | |
|  | The assets and liabilities transferred as part of the restructuring of administrative arrangements at the dates of transfer were as follows: | | | | | | |
|  |  | | **Transferred Amounts**  **2021-22** | | **Transferred Amounts 2020-21** | | |
|  |  | | **$’000** | | **$’000** | | |
|  | **Assets** | |  | |  | | |
|  | Cash and Cash Equivalents | |  | |  | | |
|  | Receivables | |  | |  | | |
|  | Land | |  | |  | | |
|  | Community and Heritage Assets | |  | |  | | |
|  | **Total Assets Transferred** | |  | |  | | |
|  |  | | | | | |  |
|  | **Liabilities** | |  | |  | | |
|  | Payables | |  | |  | | |
|  | Employee Benefits | |  | |  | | |
|  | **Total Liabilities Transferred** | |  | |  | | |
|  | **Total Net Assets Transferred** | |  | |  | | |
|  |  | |  | |  | | |

|  |  |
| --- | --- |
| **Reference** | Commentary – Note 30: Restructure of Administrative Arrangements [Directorates Only] |
| AASB 1004.BC29 | The basis of conclusion in AASB 1004 *Contributions* states that the scope of the requirements relating to restructures of Administrative Arrangements (AAs) is limited to the transfer of a business (as defined in AASB 3 *Business Combinations*). As such, the requirements do not apply where, for example, an individual asset or a group of assets that are not a business are transferred. Therefore, the example disclosures in this note do not have to be applied in the situation where an individual asset or a group of assets that are not a business are transferred as part of an AA. |
| AASB 3 Appendix A Defined Terms | AASB 3 defines a business as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing: |
|  | 1. a return in the form of dividends; or 2. lower costs or other economic benefits directly to investors or other owners, members or participants. |
| ACT Disclosure Policy | As AAs involve a transfer of an integrated set of activities mainly for the purpose of reducing overall costs or providing other economic benefits to the Community (members or participants) and because AAs are a discrete function transferred between agencies, it is considered that all AAs of this nature will satisfy the definition of a business under AASB 3. |
|  | Examples of restructures of administrative arrangements are as follows:   * a new agency is created and assets and liabilities are transferred to this new agency from one or more government controlled agencies; * two or more agencies are merged together; * dividing a single agency into two or more new agencies; * cessation of an agency and the net assets are transferred to another government controlled agency; and * transfer of function. |
|  | **Accounting Treatment of Transferred Assets and Liabilities** |
| AASB 1004.54-56 | AASB 1004 states that assets and/or liabilities transferred as part of an AA should be treated as a contribution by owners or a distribution to owners. As such, transfers should be recognised directly in equity. |
|  | **Disclosure of Transferred Income and Expenses** |
| AASB 1004.57 | AASB 1004 states that when activities are transferred as a consequence of an AA, the transferee agency shall disclose the expenses and income attributable to the transferred activities for the reporting period, showing separately those expenses and income recognised by the transferor during the reporting period. If disclosure of this information would be impracticable, that fact shall be disclosed, together with an explanation of why this is the case. |
|  | **Disclosure of Comparative Information** |
| AASB 101.38  AASB 1004.57 | Comparative information is required to be disclosed in respect of the prior reporting period for all amounts included in the financial statements, except where another Australian Accounting Standard permits or requires otherwise. AASB 1004 does not specifically address the need for comparative figures for an AA; however, as stated above, the disclosure of income and expenses relating to an AA is not required where it is impractical to provide this information. |
| AASB 101.7 & 43 | Further, in some circumstances, it may be impracticable to reclassify comparative information for a particular prior period to achieve comparability with the current period. AASB 101 states that a requirement is impracticable when the directorate cannot apply it after making every reasonable effort to do so. It is likely that agencies will be able to provide income and expense figures for the comparative year where an entire output class is transferred as part of an AA. However, it is unlikely that comparative figures can be provided where only part of an output class is transferred as part of an AA (note that a reasonable effort must be made). |
|  | The example provided in the Model for 2022 involved the transfer of a Heritage and Environment division between ‘Burley Griffin Agency’ and ABC Directorate. Given this is the transfer of a separate output, rather than an Output Class, comparatives have not been disclosed. |

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| Reference | Note 31. Financial Instruments | | | | | | | |
|  | **Material Accounting Policies Relating to Financial Instruments** | | | | | | | |
|  | Details of the material accounting 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 note to which they relate. In addition to these policies, the following are also accounting policies relating to financial assets and liabilities. | | | | | | | |
| AASB 9.4.1.1 | Financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:   1. the business model for managing the financial assets; and 2. the contractual cash flow characteristics of the financial assets. | | | | | | | |
|  | The following are the classification of ‘Burley Griffin Agency’s’ financial assets under AASB 9: | | | | | | | |
|  | Items | Business ModelHeld to collect principal and interest/sell | | | Solely for payment of Principal and Interest SPPI Test (basic lending characteristics) | | Classification | |
|  | Cash and Cash Equivalents | Held to collect | | | Yes | | Amortised cost | |
|  | Accounts Receivables | Held to collect | | | Yes | | Amortised cost | |
|  | Accrued Revenue | Held to collect | | | Yes | | Amortised cost | |
|  | Loans Receivable | Held to collect | | | Yes | | Amortised cost | |
|  | Contract Assets | Held to collect | | | Yes | | Amortised cost | |
|  | Investments with the TBA | Held to collect /& sell | | | No | | FVTPL | |
| AASB 9.4.2.1 | Financial liabilities are measured at amortised cost. | | | | | | | |
|  | **Interest Rate Risk** | | | | | | | |
| AASB 7 Appendix A | Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. | | | | | | | |
| AASB 7.33(a) | A greater proportion of financial assets are held in floating interest rate arrangements, compared to financial liabilities that are subject to floating interest rates. This means that the Agency is not significantly exposed to movements in interest payable; however, it is exposed to movements in interest receivable. Interest rates have been stable during the year ended 30 June 2022 and, as such, have resulted in no increase in the amount of interest received. | | | | | | | |
| AASB 7.33(b) &(c) | Interest rate risk for financial assets is managed by ‘Burley Griffin Agency’ by trying to hold only floating interest rate investments that are low risk. Interest rate risk for financial liabilities is managed by the Agency mainly by having fixed rate or non-interest-bearing financial liabilities with relatively even maturity profiles, which limits the exposure to of the Agency to movements in interest rates. There have been no changes in risk exposure or processes for managing risk since last financial reporting period. | | | | | | | |
|  | *Sensitivity Analysis* | | | | | | | |
|  | A sensitivity analysis has not been undertaken for the interest rate risk of the Agency as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial. | | | | | | | |
|  | **Credit Risk** | | | | | | | |
| AASB 7 Appendix A  AASB 7.33(a)&34(c)  AASB 7.36(a)  AASB 7.35K | Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency’s credit risk is limited to the amount of the financial assets it holds net of any provision for impairment, and the amount of a guarantee provided to ‘Example Borrower’ (for further details see Note 33 *Contingent Liabilities and Contingent Assets*). Further, inter-agency receivables between ACT Government agencies are generally expected to have low credit risks. The Agency expects to collect all financial assets that are not past due or impaired. | | | | | | | |
| AASB 7.35K  AASB 7.35F | Credit risk for loans receivable is managed by ensuring that these loans are secured by a mortgage over the land and buildings the loans were given for, as some individuals receiving these loans have poor credit history. There is no other collateral held as security for financial assets. | | | | | | | |
| AASB 7.33(b)&(c) | The Agency also manages the credit risk for receivables, loan receivables and contract assets by undertaking an assessment of the credit worthiness of debtors as well as an analysis of the concentration of credit risk to ensure that it is not too high. No concentration of credit risk was identified in this analysis. | | | | | | | |
| AASB 7.35F(a) | There have been no significant changes in credit risk exposure since last reporting period. | | | | | | | |
| Reference | **NOTE 31. FINANCIAL INSTRUMENTS – CONTINUED** | | | | | | | |
|  | Accounts and loans receivables as well as contract assets are always measured at lifetime expected credit losses (the simplified approach). | | | | | | | |
| AASB 7 Appendix A | **Liquidity Risk** | | | | | | | |
| AASB 7.33 & 39(b) | Liquidity risk is the risk that the Agency will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Agency ensures that it does not have a large portion of its financial liabilities maturing in any one reporting period and that, at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities. Also, the Agency is able to draw down additional Controlled Recurrent Payments in the next reporting period to cover its financial liabilities when they fall due. This ensures the Agency has enough liquidity to meet its emerging financial liabilities. See the maturity analysis below for further details of when financial liabilities mature.  The Agency’s exposure to liquidity risk and the management of this risk has not changed since the previous reporting period. | | | | | | | |
| AASB 7 Appendix A | **Price Risk** | | | | | | | |
| AASB 7.33 | Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The only price risk which the Agency is exposed to results from its investment with the Territory Banking Account. Agency investors have ‘Investment Unit Holdings’ with the Territory Banking Account that fluctuates in value. The price fluctuations in the units of the investment are caused by movements in the underlying investment portfolio. | | | | | | | |
|  | The underlying investment portfolio exposures include the financial risks associated with cash, money market securities, fixed rate bonds (domestic and international) and equities (domestic and international) private equity, property and infrastructure. Investment exposures are maintained in line with a strategic asset allocation structured to achieve the Agency’s long-term investment objective within acceptable risk 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. More detail can be found in the financial statements of the Territory Banking Account. | | | | | | | |
|  | The Agency’s exposure to price risk and the management of this risk has not changed since last reporting period. | | | | | | | |
|  | *Sensitivity Analysis* | | | | | | | |
|  | A sensitivity analysis has not been undertaken for the price risk of the Agency as it has been determined that the possible impact on profit and loss or total equity from fluctuations in price is immaterial. | | | | | | | |
|  | **Fair Value of Financial Assets and Liabilities** | | | | | | | |
| AASB 7.29(a) | The carrying amount of financial assets and financial liabilities of ‘Burley Griffin Agency’ approximate their fair value with the exception of Investments with the Territory Banking Account. The below table shows the difference between the carrying amount and fair value of these investments: | | | | | | | |
|  |  | | Note No. | Carrying Amount  2022  $’000 | | Fair Value  2022  $’000 | Carrying Amount  2021  $’000 | Fair Value  2021  $’000 |
| AASB 7.25 | **Financial Assets** | |  |  | |  |  |  |
|  |  | |  |  | |  |  |  |
| AASB 7.25 | Investments | | 15 |  | |  |  |  |
|  | **Total Financial Assets** | |  |  | |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Reference | **NOTE 31. FINANCIAL INSTRUMENTS – CONTINUED** | | |
|  | Fair Value Hierarchy | | |
| AASB 7.29(a) | The carrying amount of financial assets measured at fair value are summarised in the table below. All other financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not included in the table below. | | |
|  |  | | |
|  |  | Classification According to the Fair Value Hierarchy | |
|  |  | Level 2  $’000 | Total  $’000 |
|  | 2022 |  |  |
|  | **Financial Assets** |  |  |
|  | *Financial Assets at Fair Value through the Profit and Loss* |  |  |
| AASB 13.93(a)&(b) | Investments with the Territory Banking Account |  |  |
|  | **Total** |  |  |
|  |  | | |
|  | 2021 |  | |
|  | **Financial Assets** |  |  |
|  | *Financial Assets at Fair Value through the Profit and Loss* |  |  |
| AASB 13.93(a)&(b) | Investments with the Territory Banking Account |  |  |
|  | **Total** |  |  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference** | **NOTE 31. FINANCIAL INSTRUMENTS – CONTINUED** | | | | | | | | |
| AASB 7.39(a)  ACT Disclosure Policy | The following table sets out the Agency’s maturity analysis for financial liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2022. Except for non-current payables, financial liabilities, which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis. | | | | | | | | |
|  | **2022** | | | | | | | | |
|  |  | | |  | Fixed Interest Maturing In: | | |  | |
| AASB 7.B11 |  | Note | Weighted Average Interest Rate | Floating Interest Rate | 1 Year or Less | Over 1 Year to 5 Years | Over 5 Years | Non-Interest Bearing | Total |
|  |  | **No.** | % | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
|  | **Financial Liabilities** |  |  |  |  |  |  |  |  |
|  | Payables | 24 |  |  |  |  |  |  |  |
|  | Contract Liabilities | 24 |  |  |  |  |  |  |  |
|  | ACT Government Borrowings | 25 |  |  |  |  |  |  |  |
|  | Commonwealth Borrowings | 25 |  |  |  |  |  |  |  |
|  | Service Concession Arrangement Financial Liability | 39 |  |  |  |  |  |  |  |
| AASB 16.58 | Lease Liabilities | 26 |  |  |  |  |  |  |  |
|  | **Total Financial Liabilities** |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference** | **NOTE 31. FINANCIAL INSTRUMENTS – CONTINUED** | | | | | | | | | | |
| AASB 7.34(a)  AASB 7.39(a)  ACT Disclosure Policy | The following table sets out the Agency’s maturity analysis for financial liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2021. Except for non-current payables, financial liabilities, which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis. | | | | | | | | | | |
|  | **2021** | | | | | | | | | | |
|  |  | | | | | | | | | | |
|  |  | | | | | Fixed Interest Maturing In: | | | |  | |
| AASB 7.B11 |  | Note | Weighted Average Interest Rate | Floating Interest Rate | 1 Year or Less | | Over 1 Year to 5 Years | Over 5 Years | Non-Interest Bearing | | Total | |
|  |  | No. | % | $’000 | $’000 | | $’000 | $’000 | $’000 | | $’000 | |
|  | Financial Liabilities |  |  |  |  | |  |  |  | |  | |
|  | Payables | 24 |  |  |  | |  |  |  | |  | |
|  | Contract Liabilities | 24 |  |  |  | |  |  |  | |  | |
|  | ACT Government Borrowings | 25 |  |  |  | |  |  |  | |  | |
|  | Commonwealth Borrowings | 25 |  |  |  | |  |  |  | |  | |
|  | Service Concession Arrangement Financial Liability | 39 |  |  |  | |  |  |  | |  | |
| AASB 16.58 | Finance Leases | 26 |  |  |  | |  |  |  | |  | |
|  | Total Financial Liabilities |  |  |  |  | |  |  |  | |  | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | **NOTE 31. FINANCIAL INSTRUMENTS – CONTINUED** | | |
|  |  | 2022  $’000 | 2021  $’000 |
|  | **Carrying Amount of Each Category of Financial Asset and Financial Liability** |  |  |
|  | **Financial Assets** |  |  |
| AASB 7.8(a) | Financial Assets Measured at Fair Value through the Profit and Loss − Designated upon Initial Recognition |  |  |
| AASB7.8(f) | Financial Assets Measured at Amortised Cost |  |  |
|  |  |  |  |
|  | **Financial Liabilities** |  |  |
| AASB 7.8 (g) | Financial Liabilities Measured at Amortised Cost |  |  |
|  |  |  |  |
|  | The Agency does not have any financial liabilities in the ‘Financial Liabilities at Fair Value through Profit and Loss’ category and, as such, this category is not included above. | | |
|  |  | | |
|  | **Gains/ (Losses) on Each Category of Financial Asset and Financial Liability** | | |
|  | **Gains /(Losses) on Financial Assets** |  |  |
| AASB 7.20(a)(i) | Financial Assets at Fair Value through the Profit and Loss |  |  |
| AASB 7.20(a)(i) | Designated upon Initial Recognition |  |  |
|  |  |  |  |
|  | **Gains/(Losses) on Financial Liabilities** |  |  |
| AASB 7.20(a)(v) | Financial Liabilities Measured at Amortised Cost |  |  |
|  |  |  |  |
|  | Commentary − Note 31: Financial Instruments | | |
| AASB 7.42D | The note included in the Model represents the minimum disclosures by way of example only. Each agency needs to consider their specific financial instruments and modify the disclosures accordingly. | | |
|  | Definitions | | |
| AASB 132.11 | ‘Financial asset’ means any asset that is: | | |
|  | * cash; * a contractual right to receive cash or another financial asset from another entity; * a contractual right to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or * an equity instrument of another entity. | | |
| AASB 132.11 | ‘Financial instrument’ means any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. | | |
| AASB 132.AG15 | Examples of financial instruments include primary instruments, such as receivables, payables and equity securities, and derivative financial instruments, such as financial options, futures and forwards, interest rate swaps and currency swaps. | | |
| AASB 132.11 | ‘Financial liability’ means any liability that is a contractual obligation:   * to deliver cash or another financial asset to another entity; or * to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. | | |
| AASB 132.11 | ‘Equity Instrument’ means any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. | | |
| AASB 132.13  AASB 132.AG12 | The terms ‘contract’ and ‘contractual’ refer to an agreement between two or more parties that has clear economic consequences that the parties have little, if any, discretion to avoid, usually because the agreement is enforceable at law. Contracts, and thus financial instruments, may take a variety of forms and need not be in writing. In taking up accruals for financial instruments, only those that have a contractual basis should be recognised. Also, in government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements above will not apply. For example, the rights or obligations may have their source in legislation such as in the case of taxation receivables, GST receivables or levy receivables. | | |
| **Reference** | **Commentary – Note 31: Financial Instruments – Continued** | | |
|  | Disclosures – Quantitative and Qualitative | | |
| ACT Disclosure Policy | ACT Disclosure Policy requires disclosure of the terms, conditions, timing, accounting policies and certainty of future cash flow for each class of financial asset, financial liability and equity instrument, so that the significance of financial instruments can be determined. Most of these disclosures have not been included in the financial instruments note, instead they have been included in other notes within the Models. Where an instrument is individually material, its terms and conditions should be disclosed. | | |
| AASB 7.25, 31, 32, 33, 34, 36 & 39 | AASB 7 *Financial Instruments: Disclosures* requires disclosure of information about an agency’s exposure to credit risk, market risk (which includes interest rate risk, currency risk and price risk), foreign currency risk, liquidity risk and also fair value for each class of financial asset and financial liability. The fair value for each class of financial asset and financial liability should be disclosed in such a way that they can be compared with the corresponding carrying amount in the Balance Sheet. The only risk applying to investments with the Territory Banking Account is price risk. Interest rate risk and credit risk are not applicable. | | |
| AASB 7. 32A | Providing qualitative disclosures in the context of quantitative disclosures enables users to link related disclosures and hence form an overall view of the nature and extent of risks arising from financial instruments. | | |
| AASB 7.36 | Where an agency holds collateral or other credit enhancements, it will need to disclose the extent to which those arrangements financially mitigate the credit risk by class of instrument (whether or not the carrying amount reflects the maximum exposure to credit risk). Disclosure of amounts that best represent an agency’s maximum exposure to credit risk from its financial instruments will not be required for those instruments whose carrying amount reflects this. Agencies will not need to disclose the carrying amounts of financial assets for which the terms have been renegotiated, which would otherwise be past due or impaired. For those financial assets that is either past due but not impaired, or which have been individually impaired, agencies need not separately disclose details about any associated collateral or other credit enhancements held by the agency. | | |
| AASB 7.29(a)  ACT Disclosure Policy | Where the carrying amount of financial instruments such as short-term trade receivables and payables is a reasonable approximation of their fair value, AASB 7 states that no disclosure of the fair value is required. However, ACT Disclosure Policy requires these amounts be disclosed in an agency’s financial statements for ease of comparability. | | |
| AASB 7.14(a) & (b) | An agency shall disclose the carrying amount of financial assets pledged as collateral for liabilities and contingent liabilities, and any material terms and conditions relating to assets pledged as collateral. | | |
| AASB 7.42A, 42B & 42C | There are additional disclosures for transfers of financial assets where an asset is not derecognised in its entirety or the asset is derecognised in its entirety but the transferor retains some continuing involvement. An agency transfers a financial asset when it:   * transfers contractual rights to receive cash flows from the asset; or * retains contractual rights to cash flows from an asset but assumes a contractual obligation to pay those cash flows to one or more recipients. | | |
| AASB 7.39  AASB 7.B11E  ACT Disclosure Policy | **Maturity Analysis**  AASB 7 requires undiscounted amounts to be included in the maturity analysis. This means that in a number of cases the amount included in the Balance Sheet for a financial asset or financial liability will be different to the amount included in the maturity analysis. Note that for agencies that have ACT Government borrowings and Commonwealth Government borrowings, the amortised cost for these items approximates their costs and as such there will be no difference between the amount in the Balance Sheet and the amount in the maturity analysis. | | |
| AASB 7.B11 | AASB 7 provides an example of the time bands to include in the maturity analysis required by the standard. These time bands are as follows:   * not later than one month; * later than one month and not later than three months; * later than three months and not later than one year; and * later than one year and not later than five years. | | |
| ACT Disclosure Policy | It is considered that these are not the most appropriate time bands for ACT Government agencies as the public sector is not as focused on the short-term liquidity of its financial assets and liabilities. As such, ACT Disclosure Policy requires agencies to use three time bands which are as follows:   * one year or less; * over one year to five years; and * over five years. | | |

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| **Reference** | **Commentary – Note 31: Financial Instruments – Continued** |
|  | **Sensitivity Analysis** |
|  | AASB 7 requires a sensitivity analysis to be undertaken for each type of market risk to which the agency is exposed at the reporting date, showing how profit and loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. Market risk includes interest rate risk, price risk and foreign currency risk. An agency must also disclose the methods and assumptions used in preparing the sensitivity analysis and changes from the previous period in the methods and assumptions used, and the reasons for such changes. |
|  | Note that a sensitivity analysis, as disclosed in the Model, does not need to be undertaken for the interest rate risk or price risk, if the agency has determined that the possible impact on profit and loss or total equity from fluctuations in interest rates or price respectively is immaterial. |
|  | **Carrying Amount of and Gains on Financial Assets and Financial Liabilities** |
| AASB 7.8  AASB 7.20 | AASB 7 requires the carrying amount and gains to be disclosed for the following classes of financial assets and financial liabilities:   * Financial Assets at Fair Value through the Profit and Loss showing separately those designated upon Initial Recognition at Fair Value through Profit and Loss; * Financial Liabilities at Fair Value through the Profit and Loss showing separately those designated upon Initial Recognition at Fair Value through Profit and Loss; * Financial Assets measured at Amortised Cost; * Financial Liabilities measured at Amortised Cost; and * Financial Assets measured at Fair Value through Other Comprehensive Income. |
| ACT Disclosure Policy | AASB 7 allows this above disclosure to be included in either the financial statements or in the notes. ACT Disclosure Policy requires this disclosure to be included in the notes. |
|  | Note however that most ACT Government agencies will not have all these categories of financial assets and liabilities and as such will not need to disclose all these categories. Most agencies will only have the following categories:   * Designated upon Initial Recognition at Fair Value through Profit and Loss (e.g. Investments with the Banking Account); and * Financial Assets and Liabilities measured at Amortised Cost.   As such, these are the only categories which have been included in the Model. |
| AASB 9  AASB 2014-7  AASB 7.35M-N  AASB 7.36  AASB 7.35M-N  Financial Framework Memo 2018/23 see Appendix B | **Credit Risk**  AASB 7 requires, for all financial instruments within its scope, (except those to which the impairment requirements in AASB 9 are not applied) the disclosure by class of financial instrument of the amount that best represents an agency’s maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements. This disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. Also required is a description of collateral held as security and other credit enhancements and their financial effect.  Agencies should disclose by credit risk rating grades the gross carrying amount of financial assets and the exposure to credit risk on loan commitments and financial guarantee contracts. For trade receivables, contract assets and lease receivables to which an agency applies AASB 9.5.5.15 (i.e. the simplified approach, measuring the loss allowance at an amount equal to lifetime expected credit losses) the information may be based on a provision matrix. |
|  | **Concentration of Credit Risk** |
|  | The expression ‘Concentration of Credit Risk’ used in the Financial Instruments note above refers to credit risk being focused in one area. For example, a high concentration of credit risk would occur when all receivables held by an agency are with one debtor. On the other hand, a low concentration of credit risk would occur when all receivables held by an agency are with a large number of unrelated debtors. |
| AASB 7.7  AASB 7.31 | AASB 7 sets out detailed requirements regarding the agency’s obligations to report the identification and management of financial risks. The standard requires the following:   * Qualitative and quantitative disclosures for each type of risk (e.g. credit risk, liquidity risk, and market risk) that the agency is exposed to; * Qualitative disclosures on:   + the exposures to risk and how they arise;   + the objectives, policies and processes for managing the risk and the methods used to measure the risk; and   + any changes in theses from the previous period. * Quantitative disclosures - summary of quantitative data about the agency’s exposure to a particular risk at the end of the reporting period, including concentrations of risk. |

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| **Reference** | **Commentary – Note 31: Financial Instruments – Continued** | | |
|  | Agencies should include disclosures that enable financial statement users to:   * understand the relationship between transferred financial assets not derecognised in their entirety and associated liabilities; and * evaluate the nature and risks associated with derecognised financial assets. | | |
|  | **Fair Value Disclosures** | | |
|  | Where an agency does not have any financial assets or liabilities at fair value, it is not required to include a fair value hierarchy disclosure. A detailed discussion of the concepts, methodologies and disclosures relating to AASB 13 *Fair Value Measurement* is found in the Commentary to Note 19 *Property, Plant and Equipment*. | | |
|  | Note 32. Capital and Other Expenditure Commitments | | |
|  | **Capital Commitments** |  |  |
|  | Capital commitments contracted at reporting date that have not been recognised as liabilities are as follows: | | |
| AASB 116.74(c) | **Capital Commitments – Property, Plant and Equipment** | 2022  $’000 | 2021  $’000 |
|  | Payable: |  |  |
|  | Within one year |  |  |
|  | Later than one year but not later than five years |  |  |
|  | Later than five years |  |  |
|  | **Total Capital Commitments- Property, Plant and Equipment** |  |  |
|  |  |  |  |
| AASB 138.122(e) | **Capital Commitments – Intangible Assets** |  |  |
|  | Payable: |  |  |
|  | Within one year |  |  |
|  | Later than one year but not later than five years |  |  |
|  | Later than five years |  |  |
|  | **Total Capital Commitments - Intangible Assets** |  |  |
|  | **Total Capital Commitments** |  |  |
|  |  |  |  |
| ACT Disclosure Policy | **Other Commitments** |  |  |
|  | Other commitments contracted at reporting date but not recognised as liabilities, are payable as follows: | | |
|  | Within one year |  |  |
|  | Later than one year but not later than five years |  |  |
|  | Later than five years |  |  |
|  | **Total Other Commitments** |  |  |
|  |  |  |  |
|  | **Public Private Partnerships (PPP) Commitments** |  |  |
|  | *PPP Commitments Relating to Service Concession Arrangement* |  |  |
|  | Service Concession Arrangement Commitments relate to the operational expenditure ‘Burley Griffin Agency’ is required to make to ‘Example Metro’ over the remaining term of the service concession arrangement. Commitments for the capital component have been recorded on the balance sheet and therefore no capital commitments have been disclosed in this commitment note.  For more information in relation to service concession arrangements refer to Note 39 *Service Concession Arrangements*. | | |
|  | *PPP Commitments Relating to Non-Service Concession Arrangement* | | |
|  | The facilities management and support service fees included in the PPP agreement with ‘Example Private Sector Entity’, as outlined in Note 26 *Lease Liabilities*, have been disclosed as an Operational Commitment. | | |

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| **Reference** | Note 32. Capital and Other Expenditure Commitments – Continued | | |
|  |  | 2022  $’000 | 2021  $’000 |
|  | **PPP Operational Commitments** | | |
|  | Payable: | | |
|  | Within one year |  |  |
|  | Later than one year but not later than five years |  |  |
|  | Later than five years |  |  |
|  | **Total Service Concession Arrangement Operational Commitments** |  |  |
|  |  | | |
|  | All amounts shown in the commitment note are inclusive of GST. | | |
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|  | Commentary − Note 32: Capital and Other Expenditure Commitments | | |
| ACT Disclosure Policy | Time Bands  Whilst there is no requirement in the accounting standards to disclose capital and expenditure commitments by time bands, ACT Disclosure Policy requires this since it is considered to provide useful information to the users of financial statements. | | |
|  | **Public Private Partnerships** | | |
| ACT Accounting Policy | Agencies that have entered into Public Private Partnerships will disclose the commitments under these arrangements, including lease commitments (minimum lease payments and finances charges) and capital and operating commitments. | | |
|  | **No Material Commitments** | | |
|  | If an agency has no material commitments, this note can be excluded. | | |
|  | Note 33. Contingent Liabilities and Contingent Assets | | |
|  | Material Accounting Policies Relating to Contingent Liabilities and Contingent Assets | | |
|  | Contingent liabilities and contingent assets are not recognised in the Balance Sheet due to the uncertainty regarding any possible amount or timing of any underlying claim or obligation. Instead they are disclosed and, if quantifiable, the best estimate is disclosed. | | |
|  | Contamination of Land | | |
| AASB 137.86 | During July 2021, the Agency disposed of waste material by burying it in landfill. In November 2021, it was discovered that the waste had leaked from the containers and contaminated the area in which it was buried. The Agency has undertaken to clean up the contaminated area where the waste was buried. The clean-up of the contaminated area will be completed over the next two years at an approximate cost of $xxx. This amount has been recognised as a provision (for further details see Note 28 *Other Provisions*). | | |
| AASB 137.88 | The Agency considers that the environmental impact of the leak will be minimal because of the short amount of time between the waste being buried and the contamination being discovered and also the prompt response to commence the clean-up. The Agency is investigating the matter to determine what caused the incident. | | |
|  | **Legal Claims** | | |
| ACT Disclosure Policy | ‘Burley Griffin Agency’ is subject to 15 legal claims (2021 – 13 legal claims). ‘Burley Griffin Agency’ is potentially liable for $xxx (2021 ­$xxx) which represents the excess amount payable on these actions as ‘Burley Griffin Agency’ is covered by the ACT Insurance Authority (ACTIA). If ‘Burley Griffin Agency’ under the arrangements with ACTIA pays the full amount of a successful claim, the amount less the excess amount ($xxx per claim) is reimbursed to ‘Burley Griffin Agency’ by ACTIA. The estimated actuarially assessed liability covered by ACTIA is included in ACTIA’s financial statements. | | |
|  |  | | |
|  | Guarantees | | |
| AASB 137.86  AASB 7.35K | The Agency has guaranteed a loan taken out in April 2022 by ‘Example Borrower’ for an amount of $xxx. | | |

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| **Reference** | Note 33. Contingent Liabilities and Contingent Assets – Continued |
|  | **Joint Ventures** |
|  | For contingent liabilities relating to joint ventures see Note 34 *Interest in a Joint* *Venture*. |
|  | **Contingent Assets** |
| AASB 137.89 | The only contingent assets as at 30 June 2022 relate to ‘Burley Griffin Agency’s’ insurance arrangements where reimbursement from ACTIA occurs (see Legal Claims above). |
|  |  |
|  | Commentary − Note 33: Contingent Liabilities and Contingent Assets |
|  | Definitions |
| AASB 137.10 | A contingent liability is:   * a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the agency; or * a present obligation that arises from past events but is not recognised because:   + it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or   + the amount of the obligation cannot be measured with sufficient reliability. |
| AASB 137.10 | A contingent asset is a possible asset that arises from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the agency. |
|  | Disclosure of Contingent Liability |
| AASB 137.86 | For each class of contingent liability, an agency shall disclose at the reporting date, unless the possibility of any outflow in settlement is remote, a brief description of the nature of the liability and where practicable:   * + an estimate of its financial effect;   + an indication of the uncertainties relating to the amount or timing of any outflow; and   + the possibility of any reimbursement. |
| AASB 137.89 | Where an inflow of economic benefits is probable, an agency shall disclose a brief description of the nature of the contingent assets at the reporting date, and, where practicable, an estimate of the financial effect. |
| AASB 137.91 | Where information regarding contingent liabilities and contingent assets is not disclosed because it is not practicable to do so, that fact must be stated. |
|  | **Contingent Liability Relating to Legal Action** |
| ACT Disclosure Policy | The estimated contingent liability for legal action relating to an agency should be included in this note. Where legal services are undertaken by the Government Solicitors Office, they will provide the number of legal matters that occurred throughout the financial year and the estimated amount possibly payable under each legal matter. The note explanation should reflect the insurance arrangement that the agency has with ACTIA. |
|  | Disclosure that Might Seriously Prejudice the Position of the Agency |
| AASB 137.92 | In extremely rare cases, disclosure of some or all of the information regarding contingent liabilities and contingent assets may seriously prejudice the position of the agency, and where this is the case, the agency need not disclose that information. However, the agency must provide information regarding the general nature of the dispute, together with the reason for non-disclosure. |
|  | Guarantees |
| FMA Section 47 & 60  ACT Disclosure Policy | It is ACT Disclosure Policy that agencies disclose any guarantees and undertakings given by them, including guarantees or undertakings in respect of (but not restricted to) loans, interest payments or overdrafts of the agency which:   * are within the responsibility of the Minister to whom the agency is responsible; * relate to the functional responsibilities of the agency; and * are not required to be shown as liabilities in either the Balance Sheet or the Statement of Assets and Liabilities Held on Behalf of the Territory.   Guarantees that are provided by agencies that are within the policy responsibility of their portfolio must be disclosed in their financial statements. |

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| **Reference** | Commentary − Note 33: Contingent Liabilities and Contingent Assets – Continued | | |
|  | Disclosure Presentation | | |
| ACT Disclosure Policy | Where an Agency considers it practical and more informative, a tabular (rather than a narrative) presentation of the disclosure of contingent liabilities and contingent assets could be presented, showing quantifiable amounts of relevant categories as at the reporting date and the immediately previous reporting date. | | |
|  | No Material Contingent Liabilities and Contingent Assets | | |
|  | If an agency has no material contingent assets and contingent liabilities, this note can be excluded. | | |
| **Reference** | Note 34. Interest in a Joint Venture | | |
|  | Description and Material Accounting Policies Relating to Interest in a Joint Venture | | |
| AASB 11.14 | 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. | | |
| AASB 11.16  AASB 12.21(a)  AASB 12.21(b)(i) | The Agency was involved in a joint venture during 2021-22 called ‘Example Joint Venture Entity’. ‘Example Joint Venture Entity’s’ principal activity is the development of land for the construction of a residential development. The principal place of business is the Australian Capital Territory. There are two venturers involved in ‘Example Joint Venture Entity’, the Agency and ‘Example Venturer’, each has a 50% ownership interest and voting power in the joint venture. The reporting date of the Agency and ‘Example Joint Venture Entity’ is 30 June each year. | | |
| AASB 11.16,  AASB 128.10 | ‘Burley Griffin Agency’ uses the equity method to account for its interest in its joint venture. Under the equity method, on initial recognition, the investment in a joint venture is recognised at cost and the carrying amount is increased or decreased to recognise the ‘Burley Griffin Agency’s’ share of the profit or loss of the joint venture after the date of acquisition. The ‘Burley Griffin Agency’s’ share of the joint venture’s profit or loss is recognised in the Operating Statement. Distributions received from a joint venture reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary in the proportionate interest in the joint venture arising from changes in the joint venture’s other comprehensive income including revaluation of property, plant and equipment. The ‘Burley Griffin Agency’s’ share of changes is recognised in other comprehensive income. | | |
| AASB 128.28-30 | Gains and losses resulting from ‘upstream’ (joint venture to ‘Burley Griffin Agency’) and ‘downstream’ (‘Burley Griffin Agency’ to joint venture) transactions are eliminated to the extent of ‘Burley Griffin Agency’s’ interest in the joint venture. However, unrealised losses are not eliminated to the extent that the transaction provides evidence of a reduction in the net realisable value or in the recoverable amount of the assets transferred. Contributions of non-monetary assets to a joint venture in exchange for an equity interest are also accounted for in accordance with these requirements. | | |
| AASB 12.B12,B13 | **Summarised Operating Statement of ‘Example Joint Venture Entity’** | 2022  $’000 | 2021  $’000 |
| AASB 12.B12(b)(v) | Revenue |  |  |
|  | Expenses |  |  |
| AASB 12.B12(b)(vi) | **Operating Profit Before Income Tax** |  |  |
| AASB 12.B13(g) | Income Tax Expense |  |  |
| AASB 12.B12(b)(vi) | **Operating Profit/(Loss) After Income Tax** |  |  |
| AASB 12.B12(b)(viii) | Other Comprehensive Income |  |  |
| AASB 12.B12(b)(ix) | **Total Comprehensive Income** |  |  |
| AASB 12.B13 | The above Operating Profit /(Loss) includes the following: |  |  |
| AASB 12.B13(d) | Depreciation and Amortisation |  |  |
| AASB 12.B13(e) | Interest Income |  |  |
| AASB 12.B13(f) | Interest Expense |  |  |
|  |  |  |  |
|  | ‘Burley Griffin Agency’ Share of the Joint Venture Operating Profit (50%) |  |  |
|  | ’Burley Griffin Agency’ Share of Joint Venture Other Comprehensive Income (50%) |  |  |

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| **Reference** | Note 34. Interest in a Joint Venture – CONTINUED | | |
|  |  | 2022  **$’000** | **2021**  **$’000** |
| AASB 12. B12,B13 | **Summarised Balance Sheet of ‘Example Joint Venture Entity’** |  |  |
|  | **Current Assets:** |  |  |
|  | Current Assets Other |  |  |
|  | Cash and Cash Equivalents |  |  |
| AASB 12.B12(b)(i), B13(a) | **Total Current Assets** |  |  |
|  |  |  |  |
| AASB 12.B12.(b)(ii) | **Non-Current Assets** |  |  |
|  | **Total Assets** |  |  |
|  |  |  |  |
|  | **Current Liabilities:** |  |  |
|  | Current Liabilities other |  |  |
|  | Current financial liabilities excluding trade and other payables and provisions |  |  |
| AASB 12 B12.(b)(iii), B13 (b) | **Total Current Liabilities** |  |  |
|  | **Non-Current Liabilities:** |  |  |
|  | Non-current liabilities other |  |  |
| AASB 12 B12(b)(iv), B13(c) | Non-current financial liabilities excluding trade and other payables and provisions |  |  |
|  | **Total Non-Current Liabilities** |  |  |
|  | **Total Liabilities** |  |  |
|  | **Total Net Assets of ‘Example Joint Venture Entity’** |  |  |
|  |  | | |
| AASB 12.B14(b) | **A reconciliation of the above summarised information to the carrying amount of the investment in ‘Example Joint Venture Entity’ is set out below**: |  |  |
|  | Total Net Assets of ‘Example Joint Venture Entity’ |  |  |
|  | Proportion of Ownership of ‘Example Joint Venture Entity’ |  |  |
|  | **Carrying Amount of Investment in ‘Example Joint Venture Entity’** |  |  |
|  |  |  |  |
| AASB 12.B12(a) | No dividends were received from ‘Example Joint Venture Entity’ in 2021-22 or 2020-21. | | |
| AASB 12.21(b)(iii) | ‘Example Joint Venture Entity’ is not listed on the stock exchange and has no quoted market price. | | |
|  |  |  |  |
|  | **Risks Associated with Interest in Joint Venture** |  |  |
| AASB 12.23(a), B(18) | **Commitments relating to the Joint Venture** |  |  |
| AASB 12 (B19)(a) | Commitments to provide funding for joint venture’s capital commitments, if called | | |
|  |  |  |  |
|  | **Contingent Liabilities** |  |  |
|  | The Agency has the following contingent liabilities, which it believes will not result in any material losses. | | |
| AASB 12.23(b) | Contingent Liability arising from the Agency’s interest in the Joint Venture |  |  |
| AASB 12.23(b | Contingent Liability arising from the Agency being liable for liabilities of ‘Example Venturer’ |  |  |
|  | **Total Contingent Liabilities** |  |  |

|  |  |
| --- | --- |
| **Reference** | Commentary − Note 34: Interest in a Joint Venture |
|  | Definition |
| AASB 11.16 | A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. |
|  | N**ature, Extent and Financial Effects of an Agency’s Interests in Joint Arrangements** |
| AASB 12.21(a) | Where a joint arrangement is material to an agency the agency shall disclose:   * the name of the joint arrangement; * the nature of the agency’s relationship with the joint arrangement (by, for example, describing the nature of the activities of the joint arrangement and whether they are strategic to the agency’s activities; * the principal place of business and country of incorporation, if applicable and different from the principal place of business of the joint arrangement; and * the proportion of ownership interest or participating share held by the entity and, if different the proportion of voting rights held, if applicable; * whether the investment in the joint venture is measured using the equity method or at fair value. |
| AASB 12.21(b) B12, B13 | * summarised financial information about the joint venture, including but not limited to:   + current assets;   + non-current assets;   + current liabilities;   + non-current liabilities;   + revenue;   + profit or loss from continuing operations;   + post-tax profit or loss from discontinued operations;   + other comprehensive income;   + total comprehensive income; |
|  | * + cash and cash equivalents;   + current financial liabilities (excluding trade and other payables and provisions);   + non-current financial liabilities (excluding trade and other payables and provisions);   + depreciation and amortisation;   + interest income;   + interest expense; and   + income tax expense or income. |
| AASB12.21(c), B16 | Where a joint venture(s) is(are) immaterial to an agency:   * An Agency shall disclose, in aggregate, the carrying amount of its interests in all individually immaterial joint ventures that are accounted for using the equity method; and * An agency shall also disclose separately the aggregate amount of its share of those joint ventures’:   + profit or loss from continuing operations;   + profit or loss from discontinued operations;   + other comprehensive income; and   + total comprehensive income. |
|  | **Significant Restrictions on the Ability of Joint Ventures to Transfer Funds to the Agency** |
| AASB 12.22(a) | An agency shall also disclose the nature and extent of any significant restrictions (e.g. resulting from borrowing arrangements, regulatory requirements or contractual arrangements between investors with joint control of or significant influence over a joint venture) on the ability of joint ventures to transfer funds to the agency in the form of cash dividends, or to repay loans or advances made by the agency. |

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | Commentary − Note 34: Interest in a Joint Venture – Continued | | |
|  | **Risks Associated with an Agency’s Interests in Joint Ventures** | | |
| AASB 12. 23(a), B(18)  AASB 12 (B19)(a), (b) | Agencies should disclose commitments relating to its joint ventures (including its share of commitments made with other investors with joint control of a joint venture) separately from the amount of other commitments. Examples of such commitments include:   * unrecognised commitments to contribute funding or resources as a result of the constitution, capital intensive projects, unconditional purchase obligations, or unrecognised commitments to provide financial support; and * unrecognised commitments to acquire another party’s ownership interest (or a portion of that ownership interest) in a joint venture if a particular event occurs or does not occur in the future. | | |
| AASB 12.23(b) | Agencies should disclose contingent liabilities incurred relating to its interests in joint ventures (including its share of contingent liabilities incurred jointly with other investors with joint control of, or significant influence over the joint ventures), separately from the amount of other contingent liabilities, unless the probability of loss is remote. | | |
|  | **Territory Authority Commentary** | | |
|  | For-profit territory authorities with interests in a joint venture (which operates on a for-profit basis), may likely be required to pay income tax. Where this is the case, the operating profit/(loss), both before and after income tax, should be disclosed. | | |
|  | Note 35. Interest in A Joint Operation | | |
|  | **Description and Material Accounting Policies Relating to Interest in a Joint Operation** | | |
| AASB11.14 | 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. | | |
| ACT Disclosure Policy  AASB 12.21(a) | The Agency was involved in one joint operation during 2022 called ‘Example Joint Operation’. ‘Example Joint Operation’s’ principal activity is the development and construction of footpaths, cycle paths and other infrastructure. The principal place of business is the Australian Capital Territory. ‘Example Private Company’ is the other venturer involved in ‘Example Joint Operation’. The Agency and ‘Example Private Company’ each have a 50% interest in the output of the jointly controlled operation. | | |
| AASB 11.20 | The share of assets, liabilities, income and expenses of the jointly controlled operation has been incorporated in the financial statements of the ‘Burley Griffin Agency’ under the appropriate headings. These items have also been separately disclosed below to show the amounts specifically relating to the Joint Operation. | | |
|  |  | | |
|  |  | 2022  $’000 | 2021  $’000 |
|  | **Assets Employed in the Jointly Controlled Operation** |  |  |
|  | **Current Assets** |  |  |
|  | Cash and Cash Equivalents |  |  |
|  | Receivables |  |  |
|  | Other |  |  |
|  | **Total Current Assets** |  |  |
|  |  |  |  |
|  | **Non-Current Assets** |  |  |
|  | **Land** |  |  |
|  | At Fair Value |  |  |
|  | **Total Land at Fair Value** |  |  |
|  |  |  |  |
|  | **Buildings** |  |  |
|  | At Fair Value |  |  |
|  | Less: Accumulated Depreciation |  |  |
|  | Less: Accumulated Impairment Losses |  |  |
|  | **Total Buildings at Fair Value** |  |  |
|  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Reference** | Note 35. Interest in A Joint Operation – Continued | | | | | |
|  |  | 2022  $’000 | | 2021  $’000 | | |
|  | **Plant and Equipment** |  | |  | | |
|  | At Cost |  | |  | | |
|  | Less: Accumulated Depreciation |  | |  | | |
|  | Less: Accumulated Impairment Losses |  | |  | | |
|  | **Total Plant and Equipment at Cost** |  | |  | | |
|  |  |  | |  | | |
|  | **Infrastructure Assets** |  | |  | | |
|  | At Fair Value |  | |  | | |
|  | Less: Accumulated Depreciation |  | |  | | |
|  | Less: Accumulated Impairment Losses |  | |  | | |
|  | **Total Infrastructure Assets at Fair Value** |  | |  | | |
|  | **Total Non-Current Assets** |  | |  | | |
|  | **Total Assets** |  | |  | | |
|  |  |  | |  | | |
|  | Commentary − Note 35: Interest in a Joint Operation | | | | | |
|  | Definition | | | | | |
| AASB 11.15 | A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. | | | | | |
| AASB 12.21(a) | **Nature, Extent and Financial Effects of an Agency’s Interests in Joint Arrangements**  Where a joint arrangement is material to an agency, an agency shall disclose:   * the name of the joint arrangement; * the nature of the agency’s relationship with the joint arrangement (by, for example, describing the nature of the activities of the joint arrangement and whether they are strategic to the agency’s activities; * the principal place of business (and country of incorporation, if applicable and different from the principal place of business) of the joint arrangement; and * the proportion of ownership interest or participating share held by the entity and, if different the proportion of voting rights held (if applicable). | | | | | |
| AASB 11.20  AASB 11.21 | A joint operator shall recognise in relation to its interests in a joint operation:   * its assets, including its share of any assets held jointly; * its liabilities, including its share of any liabilities incurred jointly; * its revenue from the sale of its share of the output arising from the joint operation; * its share of the revenue from the sale of the output by the by the joint operation; and * its expenses, including its share of any expenses incurred jointly.   A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interests in a joint operation in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses. | | | | | |
|  | Note 36. Events after the Reporting Period | | | | |
|  | **Administrative Arrangement After the Reporting Period** | | | | |
| AASB 110.21(a) | On 1 July 2022, the Executive approved an administrative arrangement that involved restructuring ‘Burley Griffin Agency’ by moving its land and planning division to ‘Receiving Directorate’. The movement of the land and planning division was undertaken because it was considered that this function was more closely aligned with the existing functions of ‘Receiving Directorate’. The financial effect of the administrative arrangement is not reflected in the financial statements. | | | | |
| AASB 110.21(b) | The total value of net assets transferred between the ‘Burley Griffin Agency’ and ‘Receiving Directorate’ after the reporting period was $000,000. | | | | |
| **Reference** | Commentary − Note 36: Events after the Reporting Period | | | | |
| AASB 110.3 | Events after the reporting period are those events, favourable and unfavourable, that occur between the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:   * those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and * those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period). | | | | |
| AASB 110.8 & 9  AASB 110.10 & 11 | Adjusting events after the reporting period – involve an agency adjusting the amounts recognised in its financial statements for that adjusting event. An example of an adjusting event is the settlement after the reporting period of a court case that confirms the agency had a present obligation at the end of the reporting period. The agency would therefore have to make the appropriate adjustment in its financial statements for the result of the court case.  Non-adjusting events after the reporting period – involve the disclosure of the event; however, no adjustment is made to amounts recognised in the financial report. An example of a non-adjusting event is a decline in market value of investments between the end of the reporting period and the date when the financial report is authorised for issue. The decline in market value does not normally relate to the condition of the investments at the end of the reporting period, but reflects circumstances that have arisen subsequently. | | | | |
| AASB 110.19 | If an agency receives information after the reporting period about conditions that existed at the end of the reporting period, disclosures relating to those conditions should be updated in light of the new information. | | | | |
| AASB 110.21 | AASB 110 Events after the Reporting Period requires the following information to be disclosed for each material category of non-adjusting event after the reporting period:   * the nature of the event; and * an estimate of its financial effect or a statement that such an estimate cannot be made. | | | | |
|  | If an agency does not have any material events occurring after the reporting period, then this note can be excluded. | | | | |
|  | Note 37. Third Party Monies | | | | | |
|  | **Description and Material Accounting Policies Relating to Third Party Monies** | | | | | |
|  | ‘Burley Griffin Agency’ holds security deposits for ‘Example Trust’ and also for contractors. There are no additional assets and liabilities other than cash in relation to these security deposits. Therefore, the below information only provides cash disclosures of the trust activities during the year, and financial position at the reporting date. In both cases a trust bank account has been set up in accordance with section 51 of the Financial Management Act to collect and hold the deposits. | | | | | |
| ACT Disclosure Policy | *Security Deposits Held for ‘Example Trust’* | | | | | |
|  | The Agency holds security deposits as a custodian of ‘Example Trust’. As such, these trust monies cannot be used to achieve the agency’s own objectives and therefore are not recognised in the financial statements. | | | | | |
|  | *Third Party Monies held as Security Deposits from Contractors* | | | | | |
| ACT Disclosure Policy | The Agency holds a security deposit for a contractor who is using the Agency’s machinery to perform works in progress for the Agency. Where the machinery is returned to ‘Burley Griffin Agency’ in good working order the security deposit is returned to the contractor. However, if the machinery is damaged upon return to the agency, then some or all of the security deposit is withheld and used by the agency to repair the machinery. | | | | | |
|  |  | | 2022  $’000 | | 2021  $’000 | |
|  | **Security Deposits Held for ‘Example Trust’** | |  | |  | |
|  | Balance at the Beginning of the Reporting Period | |  | |  | |
|  | Cash Receipts | |  | |  | |
|  | Cash Payments | |  | |  | |
|  | **Balance at the End of the Reporting Period** | |  | |  | |
|  |  | |  | |  | |
|  | **Security Deposits Held – Contractors** | |  | |  | |
|  | Balance at the Beginning of the Reporting Period | |  | |  | |
|  | Cash Receipts | |  | |  | |
|  | Cash Payments | |  | |  | |
|  | **Balance at the End of the Reporting Period** | |  | |  | |
|  | **Total Third Party Monies** | |  | |  | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Reference** | Commentary − Note 37: Third Party Monies | | | | | |
| ACT Disclosure Policy | Agencies are required to include a note on third party monies held. The information should include third party monies held at the end of the reporting period and the purpose for which the monies are held. | | | | | |
| ACT Disclosure Policy | Where a trust has assets and liabilities (other than cash), the financial statements should include an accrual presentation of that trusts activities during the year and financial position at the reporting date. If a trust has no assets or liabilities apart from cash, the financial statements need only provide cash disclosure of the trust’s activities during the year, and financial position at the reporting date. | | | | | |
| AASB 10.6  AASB 10.5-18 | Assets held in trust for the benefit of other parties are not controlled by the agency.  The definition of control in AASB 10 *Consolidated Financial Statements* is that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Depending upon the circumstances, it may be that an agency has control of the trust funds and relevant trust assets and should consolidate them into its financial statements. | | | | | |
|  | Note 38. Related Party Disclosures | | | | | |
|  | **Description and Material Accounting Policies Relating to Related Party Disclosures** | | | | | |
| AASB 124.9 | A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests. | | | | | |
|  | KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the ‘Burley Griffin Agency’, directly or indirectly. | | | | | |
|  | KMP of the ‘Burley Griffin Agency’ are the Portfolio Minister, Director-General and certain members of the Senior Management Team. | | | | | |
|  | The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of ‘Burley Griffin Agency’. | | | | | |
|  | This note does not include typical citizen transactions between the KMP and ‘Burley Griffin Agency’ that occur on terms and conditions no different to those applying to the general public. | | | | | |
|  | **(A) Controlling Entity**  ‘Burley Griffin Agency’ is an ACT Government controlled entity. | | | | | |
| AASB 124.9 Compensation defined | **(B) Key Management Personnel**  *B.1 Compensation of Key Management Personnel*  Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive’s financial statements for the year ended 30 June 2022.  Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate’s (CMTEDD) financial statements for the year ended 30 June 2022.  Two of the KMP of ‘Burley Griffin Agency’ are employees of CMTEDD and are compensated by CMTEDD. The first of these was both a KMP of ‘Burley Griffin Agency’ and CMTEDD simultaneously throughout the current financial year. The compensation relating to this KMP is included in CMTEDDs financial Statemens, and as such, is not included in this note. The second KMP worked for ‘Burley Griffin Agency’ on secondment from CMTEDD for 6 months of the current financial year, and as such, the amount of their remuneration while on secondment is included in the table below. The compensation for the other 6 months of the financial year the KMP was not on secondment is included in the CMTEDD financial statements.  Compensation by ‘Burley Griffin Agency’ to KMP is set out below: | | | | | |
|  |  | | | **2022** **$’000** | | **2021**  **$’000** |
|  |  | | |  | |  |
|  | Short-term employee benefits | | |  | |  |
|  | Post-employment benefits | | |  | |  |
|  | Other long-term benefits | | |  | |  |
|  | Termination benefits | | |  | |  |
|  | Board member fees | | |  | |  |
| AASB 124.17 | **Total Compensation to KMP** | | |  | |  |
| **Reference** | **NOTE 38. RELATED PARTY DISCLOSURES – CONTINUED** | | | | | |
| AASB 124.18 to 21 | *B.2 Transactions with Key Management Personnel*  No disclosure is required for typical citizen transactions between the KMP and ‘Burley Griffin Agency’ that occur on terms and conditions no different to those applying to the general public, where no discretion is applied and no influence is exerted by the related parties over the terms and conditions of these transactions. | | | | | |
|  | *B.3 Transactions with parties related to Key Management Personnel* | | | | | |
| AASB 124.18 to 21 | The following transactions that were material to the financial statements of the ‘Burley Griffin Agency’ occurred with parties related to KMP including transactions with KMP’s close family members or other related entities: | | | | | |
|  |  | **Transaction value** | **Amount of**  **receivable/(payable)** | | **Amount Committed** | |
|  | **2022** | **$’000** | **$’000** | | **$’000** | |
|  | **Nature of transaction** |  |  | |  | |
|  | *Purchase or Sale of Goods* |  |  | |  | |
|  | Equipment purchased1 |  |  | |  | |
|  | *Rendering or Receiving Services* |  |  | |  | |
|  | Services received (aggregate)1,2 |  |  | |  | |
|  |  |  |  | |  | |
|  | **1**The transactions were procured following ACT Government’s procurement procedures and in the normal course of the operations of ‘Burley Griffin Agency’.  **2**Items of a similar nature have been aggregated, except where separate disclosure is necessary for understanding the effects of related party transactions on the financial statements of the ‘Burley Griffin Agency’. | | | | | |
|  |
|  | No allowances for doubtful debts or bad debts expenses in relation to related party transactions were recorded during the current reporting period. | | | | | |
|  |  | | | | | |
|  | **2021** |  |  | |  | |
|  | **Nature of transaction** |  |  | |  | |
|  | *Purchase or Sale of Goods* |  |  | |  | |
|  | Equipment purchased **1** |  |  | |  | |
|  | *Rendering or Receiving Services* |  |  | |  | |
|  | Services received (aggregate) **1,2** |  |  | |  | |
|  |  |  |  | |  | |
|  | **1**The transactions were procured following ACT Government’s procurement procedures and in the normal course of the operations of ‘Burley Griffin Agency’.  **2**Items of a similar nature have been aggregated, except where separate disclosure is necessary for understanding the effects of related party transactions on the financial statements of the ‘Burley Griffin Agency’. | | | | | |
|  |  | | | | | |
|  | **(C) Transactions with other ACT Government Controlled Entities** | | | | | |
| AASB 124.25-27 | ‘Burley Griffin Agency’ has entered into transactions with other ACT Government entities in 2022 and 2021 consistent with day-to-day business operations provided under varying terms and conditions. The notes to the Financial Statements provide the details of transactions with other ACT Government Entities. Below is a summary of the Material transactions with Other ACT Government Entities. | | | | | |
|  | *Revenue* | | | | | |
|  | * Appropriation (Statement of Appropriation) - The Agency’s main ongoing source of funding is received from the ACT Government through the Territory Banking Account. This funding is in the form of Controlled Recurrent Payment appropriation and Capital Injection appropriation. | | | | | |
|  | * Sales of Goods and Services from Contracts with Customers (Note 5) – The Agency received $xxx in 2022 for revenue from other ACT Government Entities for undertaking the management of government owned commercial buildings, government office accommodation, multi-purpose buildings and leases of commercial buildings on behalf of the Territory. | | | | | |
| **Reference** | **NOTE 38. RELATED PARTY DISCLOSURES – CONTINUED** | | | | | |
|  | * Resources Received Free of Charge (Note 6) – The agency received $xxx in 2022 for legal services free of charge from the Government Solicitors Office, Volunteer services from Other Directorate staff, and Finance and Human Resources services free of charge from Shared Shares. | | | | | |
|  | * Distribution Revenue from TBA (Note 7) – The agency received $xxx in 2022 for investment distribution from the Territory Banking Account. | | | | | |
|  | * Gains from Disposals, Derecognition and Remeasurement of Assets (Note 8) - The Agency made $xxx in 2022 for Gains from the disposal of investments with the Territory Banking Account. | | | | | |
|  | * Other Income (Note 9) – The agency received $xxx in 2022 for insurance recoveries from the ACT Insurance Authority. | | | | | |
|  | *Expenses* | | | | | |
|  | * Supplies and Services (Note 11) – The Agency paid $xxx in 2022 to the ACT Audit Office for audit services, pays insurance premiums to the ACT Insurance Authority and pays Shared Services for IT services and equipment. | | | | | |
|  | * Grants and Purchased Services (Note 12) – The Agency provided $xxx in grants to other ACT Government Agencies for general assistance or for a particular purpose. | | | | | |
|  | * Other Expenses (Note 14) – The Agency made losses of $xxx in 2022 from assets donated to Other ACT Government Agencies. | | | | | |
|  | *Assets* | | | | | |
|  | * Cash and Investments (Note 15) – The Agency holds $xxx in ‘investment unit holdings’ with the Territory Banking Account at the end of 2022. | | | | | |
|  | * Receivables and Contract Assets (Note 16) – The Agency has $xxx in accounts receivables and Property Management Service Contract Assets with other ACT Government Entities at the end of 2022. | | | | | |
|  | * Inventories (Note 17) – The Agency provides inventories to Other ACT Government Agencies. | | | | | |
|  | *Liabilities* | | | | | |
|  | * Borrowings (Note 25) – The Agency holds $xxx in ACT Government Borrowing through the Territory Banking Account at the end of 2022. | | | | | |
|  | * Employee Benefits (Note 27) – Superannuation liabilities of $xxx for ‘Burley Griffin Agency’ staff that are part of the CSS and PSS are held by the Superannuation Provision Account. | | | | | |
|  | *Other* | | | | | |
|  | * Restructures of Administrative Arrangements (Note 30) - Restructures of Administrative Arrangements has occur with the ABC Directorate in 2022 and XYZ Directorate in 2021. | | | | | |
|  | * Interest in a Joint Venture (Note 34) – The Agency has a 50% ownership interest in ‘Example Joint Venture Entity’. | | | | | |
|  | * Events After the Reporting Period (Note 36) - On 1 July 2022 there was an administrative arrangement that involved moving a land and planning division from the Agency to ‘Receiving Directorate’. | | | | | |
|  | **Commentary – Note 38: Related Party Disclosures** | | | | | |
|  | If there are no material transactions under B.2, B.3 or C then no disclosures need to be made in this note. | | | | | |
|  | The disclosure in section C above for ‘Burley Griffin Agency’ is an example only. Agencies should highlight only the material transactions with other ACT Government Entities in this Note. | | | | | |
| AASB 124.1 | The objective of AASB 124 is to ensure that an agency’s financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties. | | | | | |
| AASB124.9 | Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. | | | | | |  |
|  | Primarily, this Standard requires disclosure of summarised details about KMP remuneration, and certain transactions with related parties, in ACT Government controlled entities’ financial statements. | | | | | |
|  | The ACT Executive comprising the Chief Minister and Ministers appointed by the Chief Minister, is the principal decision-making body for the ACT Government and is therefore KMP of the ACT Government (i.e. Whole of Government and the General Government Sector reporting entities). As KMP of the ACT Government (i.e. the parent) the Cabinet Ministers are deemed related parties of all ACT Government controlled entities. | | | | | |

|  |  |  |  |
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| **Reference** | **Commentary – Note 38: Related Party Disclosures – Continued** | | |
|  | Portfolio Ministers are deemed KMP of the ACT Government controlled entities within their portfolio. | | |
|  | In relation to territory-owned corporations, Ministers holding shares on behalf of the ACT Government may not necessarily have the authority and responsibility over the entity and the shares are not held beneficially by the Ministers. Therefore, shareholding Ministers may not necessarily be KMP of the relevant territory-owned corporation. Regardless of whether shareholding Ministers are KMP, they will still be related party of the territory-owned corporations, as they are KMP of the parent (i.e. ACT Government) in their capacity as Cabinet Minister. | | |
|  | The Head of Service, being responsible for the service as a whole, is also a KMP of the ACT Government (i.e. Whole of Government and General Government Sector reporting entities) and is therefore a related party of all ACT Government controlled entities. | | |
|  | Directors-General and Chief Executive Officers are deemed KMP of the relevant ACT Government controlled entities under their responsibility. Governing Boards of territory authorities are KMP of their territory authority. | | |
|  | Officers of the Assembly are deemed KMP of their relevant entity. Other staff may be assessed to fall within the scope of the KMP definition. | | |
|  | Close family members of these KMP, including any entities in which they have controlling interests (individually or jointly), are related parties of the relevant ACT Government controlled entities. | | |
|  | Data Collection Forms should be used by agencies to collect the related party transaction information from KMP, required by the Standard. These forms can be obtained from the ACT Accounting website at <https://apps.treasury.act.gov.au/accounting>. | | |
|  | **Compensation of Key Management Personnel** | | |
| AASB 124.9 | Compensation includes all employee benefits (as defined in AASB 119 *Employee Benefits*). | | |
|  | As a guide, the following expenses are to be included for the year or for that part of the year during which the employee was a KMP: | | |
|  | Short-term employee benefits | Salaries and wages, overtime, allowances, penalties;  Annual, personal, maternity leave and leave loading;  Other employee benefits (including motor vehicle lease payments, and non-monetary benefits); and  Remuneration paid to KMP who are contractors through external service providers. | | |
|  | Post-employment benefits | Contribution to superannuation and productivity benefit. | | |
|  | Other long-term benefits | Increase in long service leave provision. | | |
|  | Termination benefits | Termination payouts including redundancy payments. | | |
|  | Board member fees | For territory authorities. | | |
|  | Reimbursement of business-related expenses (such as travel to attend a business meeting) is not compensation for the purpose of related party disclosures. However, a benefit provided to a KMP that is personal in nature is compensation. | |
|  | Any monetary or non-monetary benefits, for instance, the provision of a car or car park, (together with any FBT) provided by ‘Burley Griffin Agency’ to a KMP will also need to be included here. | |
|  | Compensation to KMP must be disclosed regardless of the materiality of the amount to the financial statements. Transactions with KMP and other related parties need to be disclosed only if they are material to the financial statements. The April 2017 AASB Agenda Decision *Materiality of Key Management Personnel Related Party Transactions of Not-for-Profit Public Sector Entities* provides guidance on the relevant materiality considerations. It is not expected that agencies will have material transactions with KMP. If they do, they should make the relevant disclosures in a similar format to the table in B.3. | |
|  | Shared Services Finance will be providing reports for compensation to KMP for agencies whose payroll is managed by them. These agencies still also need to consider any compensation to its KMP that may have been processed through the Accounts Payable module. | |

|  |  |
| --- | --- |
| **Reference** | **Commentary – Note 38: Related Party Disclosures – Continued** |
|  | **Other Related Party Transactions** |
| AASB 124.19 | Disclosures required by AASB 124 paragraph 18 regarding the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship shall be made separately for each of the following categories:  (a) the parent;  (b) entities with joint control of, or significant influence over, the entity;  (c) subsidiaries;  (d) associates;  (e) joint ventures in which the entity is in a joint venture;  (f) key management personnel of the entity or its parent; and  (g) other related parties. |
| AASB 124.21 | Disclosures under each of the above categories of related parties need to be separately identified by the type of transaction. The following are examples of transactions that are disclosed in the financial statements if they are with a related party:  (a) purchases or sales of goods (finished or unfinished);  (b) purchases or sales of property and other assets;  (c) rendering or receiving of services;  (d) leases;  (e) transfers of research and development;  (f) transfers under licence agreements;  (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind);  (h) provision of guarantees or collateral;  (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised); and  (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party. |
|  | Agencies need to exercise judgement in assessing what information warrants disclosure. |
|  | Items of a similar nature can be aggregated, except where separate disclosure is necessary for understanding the effects of related party transactions on the entity’s financial statements. |
| AASB 124.27 | In using judgement to determine the level of detail to be disclosed in accordance with the requirements in AASB 124 paragraph 26(b), the reporting entity must consider the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transaction such as whether it is:  (a) significant in terms of size;  (b) carried out on non-market terms;  (c) outside normal day-to-day business operations, such as the purchase and sale of businesses;  (d) disclosed to regulatory or supervisory authorities;  (e) reported to senior management; and  (f) subject to shareholder approval (in this context Ministerial approval). |
|  | Transactions conducted on normal terms and conditions with KMP and other related parties may or may not be material for inclusion in the note. However, if the terms and conditions of the transaction are different to those applying to the general public, the transaction is more likely to be included in the note regardless of the underlying transaction amount. |
|  | Names of close family members and entities controlled (or jointly controlled) by the KMP or the KMP’s close family members are not to be disclosed in the financial statements. Where, the information in the draft disclosure enables the KMP or their close family member(s) to be identified, the KMP and the affected family member must be given the opportunity to review the disclosure prepared for the financial statements and given the opportunity to request that the disclosure be corrected, amended or withdrawn. |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference** | **Commentary – Note 38: Related Party Disclosures – Continued** | | | | | | | | | | | | | |
|  | **Other Related Party Transactions – Continued** | | | | | | | | | | | | | |
|  | Not all information collected from KMP needs to be disclosed in the financial statements. Disclosure is not required where the transactions are not material to the financial statements. As a guide, the disclosure of transactions with other related parties in the Example Note is based on the following information:   * Equipment purchased - $xxx   Separate disclosure of the individual transaction is made where it is significantly material to the financial statements or is unusual by nature. | | | | | | | | | | | | | |
|  | * Services received - $xxx   Represents the aggregate value of a number of transactions that are individually material for the reporting entity but may not be sufficiently material (as in the previous example) or unusual in nature to require separate disclosure.  **Territory Authority Commentary** | | | | | | | | | | | | | |
|  | Territory authorities need to consider their enacting legislation and specific circumstances in assessing whether the relevant Portfolio Minister is a KMP. Considerations may include the existence of a governing board responsible for the management of the territory authority. | | | | | | | | | | | | | |
|  | Note 39 Service Concession Arrangements | | | | | | | | | | | | | |
| AASB 1059.28 | **Light Rail Service Concession Arrangement** | | | | | | | | | | | | | |
|  | **Background** | | | | | | | | | | | | | |
|  | ‘Burley Griffin Agency’ undertakes an annual review to assess whether there have been any changes to the existing service concession arrangement and whether there are any new Service Concession Arrangements. This review also involves contacting business units across ‘Burley Griffin Agency’ to obtain information about any new contracts, leasing agreements, Public Private Partnerships (PPPs), and other arrangements in order to make an assessment about whether any of these arrangements fall within the scope of AASB 1059. After this year’s assessment ‘Burley Griffin Agency’ determined that there were no new Service Concession Arrangements and there were no changes to the one existing Service Concession Arrangement. | | | | | | | | | | | | | |
|  | On 25 May 2016 ‘Burley Griffin Agency’ (grantor) entered into a 20-year Public Private Partnership (PPP) with ‘Example Metro’ (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 assets 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. Construction was completed and the light rail services commenced for public passenger operations on 20 April 2019. There were no existing assets of the grantor or operator being utilised in this service concession arrangement. | | | | | | | | | | | | | |
|  | Under the terms of the arrangement ‘Burley Griffin Agency’ retains the significant residual interest in the assets at the end of the 20-year term. | | | | | | | | | | | | | |
|  | ‘Example Metro’ is responsible for the management, recruitment, training, and determining the adequate number of staff to run light rail operations. These staff ensure the timely delivery of public transport services to ACT residents and are all employed by ‘Example Metro’. ‘Example Metro’ is solely responsible for all aspects of asset management activities for light rail vehicles, tracks and electrical equipment. It is also required to manage, at its own discretion, all aspects of an operations control centre (OCC) on a continuous 24 hours per day, seven days a week basis. The OCC centrally manages the following functions:   * operations; * power supply management; * communications, both internal and external; * emergency Help Point response; * security and access control; * emergency response and management; and * system alarm monitoring and fault response. | | | | | | | | | | | | | |
|  | Over the life of the contract ‘Burley Griffin Agency’ has granted ‘Example Metro’ the right to charge third-party users of the light rail and will also have to make monthly service payments to ‘Example Metro’ when light rail fare revenue is below an agreed monthly amount. These amounts are split between the component related to the design and construction or upgrading of the assets and ongoing operation and maintenance of the assets. The future compensation payable is estimated based on projected population increases over the term of the contract. | | | | | | | | | | | | | |
| **Reference** | **Note 39 Service Concession Arrangements – Continued** | | | | | | | | | | | | | |
|  | **Termination clauses**  The Project Agreement (the Agreement) can be terminated under a number of scenarios. The three types of termination scenarios set out in the Agreement are summarised below:   * Termination for convenience – ‘Burley Griffin Agency’ may terminate the Agreement at any time by giving no less than 60 business days’ notice in writing to ‘Example Metro’. ‘Burley Griffin Agency’ will be required to pay a termination for convenience payment. This amount is calculated as ‘Example Metro’s’ outstanding project debt, plus the fair market value of ‘Example Metro’s’ equity, plus any other reasonable costs incurred by ‘Example Metro’ as a result of the termination. * Force Majeure Termination Event - where the Agreement is terminated for force majeure (e.g. earthquake, bushfire, landslide), or the service concession arrangement project is wholly or substantially damaged or destroyed upon the occurrence of an uninsurable risk, ‘Burley Griffin Agency’ will pay ‘Example Metro’ the general termination event payment. This amount is calculated as ‘Example Metro’s’ outstanding project debt plus any other reasonable costs incurred by ‘Example Metro’ as a result of the termination, less any insurance proceeds. | | | | | | | | | | | | | |
|  | * Termination for ‘Example Metro’ default - where the Project Agreement is terminated for ‘Example Metro’s’ default, ‘Burley Griffin Agency’ will pay ‘Example Metro the fair market value of the Project determined by an independent expert or as a result of a re-tender of the contract to the market. A default by ‘Example Metro’ under the Agreement will entitle ‘Burley Griffin Agency’ to various remedies. ‘Burley Griffin Agency’, in most circumstances, is required to give ‘Example Metro’ an opportunity to remedy the default. If the default is not remedied within the required period, then it will escalate to a Major Default. The Agreement also states that a number of events are automatically classified as a Major Default (e.g. when there are persistent breaches or frequent service failures). In respect of Major Defaults, ‘Example Metro’ will be given the opportunity to develop a plan to remedy the default (if the default is capable of being remedied) or a prevention plan to prevent the default from recurring (in circumstances where the default is not capable of remedy). Where ‘Example Metro’ fails to remedy the Major Default within the required period or fails to comply with an agreed remedy or prevention plan, ‘Burley Griffin Agency’ has the right to terminate the Agreement. Certain events of default are so severe that they are not subject to a remedy regime. They give rise to an ‘Burley Griffin Agency’ termination right immediately upon their occurrence (e.g. insolvency of ‘Example Metro’). These events are called Default Termination Events. | | | | | | | | | | | | | |
|  | **Accounting for the Service Concession Arrangement** | | | | | | | | | | | | | |
|  | AASB 1059 requires the application of a control‑based approach to the recognition of assets. On initial recognition or reclassification, service concession assets are measured at current replacement cost. After initial recognition or reclassification, service concession assets are either measured at fair value (current replacement cost) using the fair value model or at cost using the cost model in accordance with AASB 116. ‘Burley Griffin Agency’ measures light rail infrastructure assets and light rail building assets at fair value (determined using current replacement cost) after initial recognition, whereas light rail plant and equipment is held at cost. The assets are depreciated on a straight-line basis over their useful lives, which are 30 years for light rail plant and equipment, and 50 years for light rail infrastructure assets and light rail building assets. | | | | | | | | | | | | | |
|  | A service concession liability is recognised at the same time as recognising or reclassifying a service concession asset. The service concession liability is initially measured at the same amount as the asset, adjusted for any other consideration exchanged between ‘Burley Griffin Agency’ and the operator. Where an existing asset of ‘Burley Griffin Agency’ is reclassified as a service concession asset then ‘Burley Griffin Agency’ does not recognise a corresponding service concession liability for this asset, except in circumstances where additional consideration is provided for the asset by the operator. The service concession liability is initially recognised as a financial liability where ‘Burley Griffin Agency’ has a contractual obligation to make specified or determinable future payments to the operator for the construction, development, acquisition or upgrade of a service concession asset. However, the service concession liability is initially recognised as a service concession unearned revenue liability where the grantor grants the operator a right to charge third party users or a right to access another revenue-generating asset. | | | | | | | | | | | | | |
|  | Where a service concession arrangement involves both payments to the operator and a grant of a right to the operator (Hybrid Arrangement) then ‘Burley Griffin Agency’ recognises both a service concession financial liability and a service concession unearned revenue liability. In measuring both these liabilities under a hybrid model, the financial liability part is measured first, with the remainder of the total liability (ie amount of the service concession asset) allocated to the unearned revenue liability. The financial liability portion is calculated by discounting future payments using the contractually specified interest rate or otherwise a prevailing market rate for a similar instrument with a similar credit rating. | | | | | | | | | | | | | |
|  | Subsequent to initial recognition or reclassification, the service concession financial liability accrues interest and is reduced when capital payments are made to the ‘Example Metro’. The service concession unearned revenue liability is amortised as revenue on a straight-line basis over the remaining concession period. | | | | | | | | | | | | | |
| **Reference** | **Note 39 Service Concession Arrangements – Continued** | | | | | | | | | | | | | |
|  |  | **Light Rail Service Concession Arrangement** | | | | | | | | | | | |  |
|  |  | **Service Concession Arrangement Building Assets** | | | **Service Concession Arrangement Plant and Equipment** | | | **Service Concession Arrangement Infrastructure Assets** | | | | | | **Total** |
|  |  | **$’000** | | | **$’000** | | | **$’000** | | | | | | **$’000** |
| AASB 1059.28 & 29 | **Service Concession Asset Reconciliation** |  | | |  | | |  | | | | | |  |
|  |  |  | | |  | | |  | | | | | |  |
|  | **2022** |  | | |  | | |  | | | | | |  |
| AASB 116.73(e) | **Carrying Amount at the Beginning of the Reporting Period** |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(i)  AASB 16.53(h) | Additions |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(iv)  AASB 16.57 | Revaluation Increment/(Decrement) |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(iv) | Impairment Losses Recognised in Other Comprehensive Income |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(vii)  AASB 16.53(a) | Depreciation |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(ix) | Acquisition/(Disposal) through Administrative Restructuring |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(ix) | Acquisition/(Disposal) from Transfers |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(v) | Impairment Losses Recognised in the Operating Result |  | | |  | | |  | | | | | |  |
| AASB 116.73(e) | **Carrying Amount at the End of the Reporting Period** |  | | |  | | |  | | | | | |  |
|  |  |  | | |  | | |  | | | | | |  |
|  |  |  | | |  | | |  | | | | | |  |
|  | **2021** |  | | |  | | |  | | | | | |  |
| AASB 116.73(e) | **Carrying Amount at the Beginning of the Reporting Period** |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(i)  AASB 16.53(h) | Additions |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(iv)  AASB 16.57 | Revaluation Increment/(Decrement) |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(iv) | Impairment Losses Recognised in Other Comprehensive Income |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(vii)  AASB 16.53(a) | Depreciation |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(ix) | Acquisition/(Disposal) through Administrative Restructuring |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(ix) | Acquisition/(Disposal) from Transfers |  | | |  | | |  | | | | | |  |
| AASB 116.73(e)(v) | Impairment Losses Recognised in the Operating Result |  | | |  | | |  | | | | | |  |
| AASB 116.73(e) | **Carrying Amount at the End of the Reporting Period** |  | | |  | | |  | | | | | |  |
|  |  |  | | |  | | |  | | | | | |  |
|  | **Service Concession Information in Other Financial Statement Notes** | | | | | | | | | | | | | |
|  | There are a number of notes within the financial statements which contain information about the light rail service concession arrangement. These notes are as follows:   * Note 9 *Other Income* – This note contains information about the amount of service concession revenue which is being recognised as a result of the unwinding of the service concession unearned revenue liability (GORTO liability); * Note 11 *Supplies and Services* – This note contains information about the operating costs that are being expensed in the Operating Statement as they are incurred; * Note 13 *Borrowing Costs* – This note contains information about the interest costs related to the service concession finance liability; * Note 19 *Property, Plant and Equipment* – This note contains information about the carrying amount and depreciation of light rail service concession assets; | | | | | | | | | | | | | |
| **Reference** | **Note 39 Service Concession Arrangements – Continued** | | | | | | | | | | | | | |
|  | **Service Concession Information in Other Financial Statement Notes – Continued** | | | | | | | | | | | | | |
|  | * Note 25 *Borrowings* and Note 31 *Financial Instruments* – These notes contain information about the amount of the service concession finance liability; * Note 29 *Other Liabilities* – This note contains information about the amount of the service concession unearned revenue liability (GORTO liability); and * Note 32 *Capital and Other Expenditure Commitments* – This note contains information about the Future operating costs which are currently disclosed as commitments. | | | | | | | | | | | | | |
|  | Note 40. Budgetary Reporting | | | | | | | | | | | | | |
|  | **Significant Accounting Judgements and Estimates – Budgetary Reporting** | | | | | | | | | | | | | |
|  | Significant judgements have been applied in determining what variances are considered ‘major variances’. Variances are considered major if both of the following criteria are met:   * The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated actual category amount (Income, Expenses, Assets, liabilities and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and * The variances (original budget to actual) are greater than plus (+) or minus (-) 10% and $15 million for the financial statement line item.[Please see Commentary below for thresholds for Smaller Agencies.] | | | | | | | | | | | | | |
|  | Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period Budget Statements. These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.  Note: # in the Line Item Variance % column represents a variance that is greater than 999 per cent or less than -999 per cent. | | | | | | | | | | | | | |
|  |  | | **Variance Explanation** | **Actual 2022** | | **Original Budget**1 **2022** | | | **Variance** | | | **Variance** | | |
|  |  | |  | **$’000** | | **$’000** | | | **$’000** | | | **%** | | |
|  | **Operating Statement Line Items** | |  |  | |  | | |  | | |  | | |
|  | Supplies and Services | | 1 |  | |  | | |  | | |  | | |
|  | Share Operating Profit Joint Venture using the Equity Method | | 2 |  | |  | | |  | | |  | | |
|  | Increase/ (decrease) in the Asset Revaluation Surplus | | 3 |  | |  | | |  | | |  | | |
|  |  | |  |  | |  | | |  | | |  | | |
|  | **Variance Explanations** | |  |  | |  | | |  | | |  | | |
|  | 1. [Insert major variance explanation] | | | | | | | | | | | | | |
|  | 1. [Insert major variance explanation] | | | | | | | | | | | | | |
|  | 1. [Insert major variance explanation] | | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | | |
|  | **Balance Sheet Line Items** | |  |  | |  |  | | | | | |  | |
|  | Cash and Cash Equivalents | | 4 |  | |  |  | | | | | |  | |
|  | Current Investment | | 5 |  | |  |  | | | | | |  | |
|  | Current Receivables | | 6 |  | |  |  | | | | | |  | |
|  | Current Assets Held for Sale | | 7 |  | |  |  | | | | | |  | |
|  | Current Payables | | 8 |  | |  |  | | | | | |  | |
|  | Current Employee Benefits | | 9 |  | |  |  | | | | | |  | |
|  | Current Other Liabilities | | 10 |  | |  |  | | | | | |  | |
|  | Non-Current Payables | | 11 |  | |  |  | | | | | |  | |
|  | Non-Current Borrowings | | 12 |  | |  |  | | | | | |  | |
|  | Non-Current Lease Liabilities | | 13 |  | |  |  | | | | | |  | |
|  |  | |  |  | |  | | | |  |  | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Reference** | Note 40. Budgetary Reporting – Continued | | | | | |
|  | **Variance Explanations** | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
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|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
|  |  | | | | | |
|  | **Statement of Changes in Equity** - these line items are covered in other financial statements | | | | | |
|  |  | | | | | |
|  |  | **Variance Explanation** | **Actual 2022** | **Original Budget**1 **2022** | **Variance** | **Variance** |
|  |  |  | **$’000** | **$’000** | **$’000** | **%** |
|  | **Statement of Cash Flows Line Items** |  |  |  |  |  |
|  | Proceeds from Sale of Property, Plant and Equipment | 14 |  |  |  |  |
|  | Proceeds from Sale/Maturity of Investments | 15 |  |  |  |  |
|  | Loan Receivable Repayment Received | 16 |  |  |  |  |
|  | Purchase of Property, Plant and Equipment | 17 |  |  |  |  |
|  | Loans Receivable Provided | 18 |  |  |  |  |
|  | Capital Injections | 19 |  |  |  |  |
|  | Receipt of Transferred Cash Balances | 20 |  |  |  |  |
|  | Cash and Cash Equivalents at the Beginning of the Reporting Period | 21 |  |  |  |  |
|  |  |  |  |  |  |  |
|  | **Variance Explanations** |  |  |  |  |  |
|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
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|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |
|  | 1. [Insert major variance explanation] | | | | | |

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| **Reference** | **Commentary – Note 40: Budgetary Reporting** |
| ACT Disclosure Policy | AASB 1055 *Budgetary Reporting* sets out the budgetary reporting requirements for not-for-profit entities within the General Government Sector (GGS). |
|  | Disclosures under AASB 1055 are intended to provide primary users with information relevant to assessing the financial performance of an agency. The main user is considered to be the Legislative Assembly. |
|  | When a directorate’s or territory authority’s budgeted financial statements are presented to the Legislative Assembly and are separately identified, that directorate or territory authority will need to disclose for the reporting period:   * the original budget figures as presented to the Legislative Assembly, in a form that is consistent with the agency’s annual financial statements; and * explanations of major variances between actual amounts presented in the financial statements and the corresponding individual original budget amounts. |
| ACT Disclosure Policy | Budgetary reporting is required to be disclosed for territorial as well as controlled. |
|  | Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2021-22 Budget Statements). These amounts are not adjusted to reflect revised budgets, resulting from supplementary appropriations or administrative arrangements or other instruments authorised under the provisions of the *Financial Management Act 1996*. Explanations associated with revised budgets, particularly administrative arrangement changes, are to be reflectedin the Management Discussion and Analysis, which provides a high level overview of the financial results of an entity and the factors underlying the development, performance and position of the entity’s business during the reporting period. |
| ACT Disclosure Policy | Under the provisions of AASB 1055, where the original budget is revised by a supplementary budget that is presented to the Legislative Assembly, the revised budget may be disclosed in the financial statements in addition to the original budget and might need to be referred to in explanations of major variances. It is ACT Disclosure Policy that Agencies only include the original budget in its financial statements. |
|  | The explanations of major variances required to be disclosed are those relevant to an assessment of the discharge of accountability and to an analysis of the performance of an entity, and should not merely focus on the numerical differences between original budget and actual amounts. They include the causes of major variances rather than merely the nature of the variances. |
|  | Variances from comparative budget information in respect of the previous period need not be disclosed. |
|  | Variances for the Statement of Changes in Equity do not have to be disclosed because these line items are also contained in other financial statements. |
|  | Explanations of major variances at the Output Class level are not required. |
|  | **General Guide for Assessing Major Variances**  As a general guide, variances are considered to be major variances if **both** of the following criteria are met:   * the line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated actual category amount (Income, Expenses, Assets, liabilities and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and |
|  | * the variances (original budget to actual) are greater than plus (+) or minus (-) 10% and $500,000 of the budget for the financial statement line item for smaller agencies and greater than plus (+) or minus (-) 10% and $15 million for large agencies.   + Small agencies include Office of the Legislative Assembly, ACT Auditor-General, Legal Aid Commission, Public Trustee and Guardian, Cultural Facilities Corporation, ACT Gambling and Racing Commission, Independent Competition and Regulatory Commission, Motor Accident Injuries Commission, ACT Electoral Commissioner ACT Integrity Commission, ACT Executive, ACT Local Hospital Network, ACT Long Service Leave Authority, Building and Construction Industry Training Fund Authority, CIT Solutions Pty Ltd, Lifetime Care and Support Fund, and Office of the Work Health and Safety Commissioner. |
|  | * + Large agencies include Chief Minister, Treasury and Economic Development Directorate, Canberra Health Services, Transport Canberra and City Services Directorate, Housing ACT, Justice and Community Safety Directorate, Education Directorate, Community Services Directorate, Transport Canberra Operations, Environment, Planning and Sustainable Development Directorate, City Renewal Authority, Suburban Land Agency, Health Directorate, Public Sector Workers Compensation Fund Major Projects Canberra, ACT Insurance Authority, Canberra Institute of Technology, and Superannuation Provision Account. |
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| **Reference** | **Commentary – Note 40: Budgetary Reporting – Continued** |
|  | These thresholds are indicative only and are included to assist agencies’ in making judgement on whether a variance explanation is required. Each agency will need to consider this guidance and Section 1.2 Materiality Guidance when determining appropriate thresholds for explanations of major variances to be disclosed in their financial statements. |
|  | **Consultation with Audit Committee and the Audit Office** |
|  | Agencies are encouraged to agree on their specific thresholds for disclosures with their Audit Committee and consult with the Audit Office in the process of preparing their financial statements. |
|  | Explanations are required for line items only. Explanations are not required for totals. If a line item is a category in its own right (e.g. only one line item in the category) then criteria (a) is not applicable and an explanation is required if criteria (b) is met. Examples of where a line item is a category in its own right are “Share of Operating Profit from Joint Venture” and “Cash and Cash Equivalents at the Beginning of the Reporting Period”. |
|  | The associated category for the line item is the grouping in the financial statements where the line item appears. A grouping will usually start with a **bolded** heading and end with a **bolded** total. |
|  | The relevant bolded titles for these criteria are:  ***Operating Statement***   * Income * Expenses * Other Comprehensive Income |
|  | ***Balance Sheet***   * Current Assets * Non-Current Assets * Current Liabilities * Non-Current Liabilities * Equity |
|  | ***Statement of Changes in Equity***  These line items are disclosed in other financial statements. |
|  | ***Statement of Cash Flows*** |
|  | * Receipts from Operating Activities * Payments from Operating Activities * Receipts from Investing Activities * Payments from Investing Activities * Receipts from Financing Activities * Payments from Financing Activities |
|  | Not all the above **bolded** totals will be applicable to each agency. |
|  | Agencies should provide to the Audit Office a work paper calculating all the variances of the financial statements, supporting which items have been disclosed as major variances. Work papers will also be required supporting the variance explanations.  **Territory Authority Commentary**  AASB 1055 does not apply to for-profit agencies. However, it is ACT Disclosure Policy that for-profit Territory Authorities also adopt AASB 1055 for reporting purposes. |

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| **Reference** | **Commentary – Discontinuing Operations** |
| AASB 5.32 | Discontinuing operations are not expected to occur frequently within agencies, so no pro forma note has been included in the Model. |
| AASB 5.Aus 2.1 | A discontinued operation is a component of an agency that either has been disposed of, or is classified as held for sale, and: |
| AASB 5.30 | * represents a separate major line of business; * is part of a single co-ordinated plan to dispose of a separate major line of business; or * is a subsidiary acquired exclusively with a view to resale. |
|  | AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* classifies an operation as a discontinued operation at the date when the operation meets the criteria to be classified as held for sale or when the entity has actually disposed of the operation. |
|  | AASB 5 does not apply to the restructuring of administrative arrangements of Government agencies. |
|  | AASB 5 requires the presentation and disclosure of information to allow evaluation of the effects of discontinued operations. |
| AASB 5.33 | Disclosures  The details of discontinuing operations should be disclosed by way of a note and include:   * revenue, expenses and pre-tax profit or loss of discontinued operations; * related income tax expense; * gain or loss recognised on the measurement to fair value less costs to sell; * net cash flows attributable to operating, investing and financing activities of discontinued operations; and * the amount of income from continuing operations and from discontinued operations attributable to the parent, i.e. Example Agency. |
| AASB 101.82(ea) | The operating statement shall include a single amount for the total of discontinued operations. |
|  | An agency shall re-present the above disclosures for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the reporting date for the latest period presented. |
| AASB 5.34 | The classification of an operation as discontinued at the reporting date, is prohibited if it did not meet the classification criteria until after the reporting date. |

‘Burley Griffin AGENCY’

TERRITORIAL FINANCIAL STATEMENTS1

FOR THE YEAR ENDED 30 JUNE 2022

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

**‘Burley Griffin Agency’**

Content of Territorial Financial Statements

|  |  |  |  |  |  |  |
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|  |  |  | | **Page** | | |
|  | **Financial Statements** | |  | |
|  | Statement of Income and Expenses on Behalf of the Territory | |  | |
|  | Statement of Assets and Liabilities on Behalf of the Territory  Statement of Changes in Equity on Behalf of the Territory | |  | |
|  | Statement of Cash Flows on Behalf of the Territory | |  | |
|  | Territorial Statement of Appropriation | |  | |
|  |  | |  | |
|  | **Notes** | |  | |
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|  |  |  | |  | | |
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|  | Presentation of Statements and Notes | | | | |
|  | It is not compulsory to have an index to the financial statements and notes to the financial statements, however, it is recommended as this helps users to quickly access a particular statement or note. Notes and the financial statements must be presented in a systematic manner and each item on a financial statement must be cross-referenced to any directly related information in the notes. | | | | |
|  | Page numbers are used in the Models for ease of reference. Agencies are not required to include page numbers in the table of contents due to the difficulty in knowing what page numbers the financial statement will have in the Annual Report. | | | | |
|  | The notes to the financial statements are to provide details of each class of income, expense, asset and liability. Each note should disclose all material line items within that class. | | | | |

**‘****Burley Griffin** **Agency’**

Statement of Income and Expenses on Behalf of the Territory

**For the Year Ended 30 June 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Reference** |  | Note No. | Actual  2022  $’000 | Original  Budget  2022  $’000 | Actual  2021  $’000 |
|  | **Income** |  |  |  |  |
|  | *Revenue* |  |  |  |  |
| AASB 1050.7(a)(i) | Payment for Expenses on Behalf of the Territory | # |  |  |  |
| AASB 1050.7(a)(i) | Taxes, Licences, Fees and Fines | 42 |  |  |  |
|  | *Total Revenue* |  |  |  |  |
|  |  |  |  |  |  |
|  | *Gains* |  |  |  |  |
|  | Other Gains | 43 |  |  |  |
|  | *Total Gains* |  |  |  |  |
|  | **Total Income** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Expenses** |  |  |  |  |
| AASB 1050.7(b)(i) | Grants and Purchased Services | 44 |  |  |  |
| AASB 1050.7(b)(i) | Transfer Payments to Government |  |  |  |  |
| AASB 1050.7(b)(i) | Other Expenses | 45 |  |  |  |
|  | **Total Expenses** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Operating Result** |  |  |  |  |
|  |  | | | | |
|  | The above Statement of Income and Expenses on Behalf of the Territory is to be read in conjunction with the accompanying notes. | | | | |
|  | # Refer to the Territorial Statement of Appropriation. | | | | |
|  |  | | | | |
|  | Commentary – Statement of Income and Expenses on Behalf of the Territory | | | | |
|  | With the exception of the Operating Result total line, if an agency does not have an amount against a line item it should not be included on the face of the Statement of Income and Expenses on Behalf of the Territory. | | | | |
|  | Agencies that have fair valued Territorial Property, Plant and Equipment may have an increase/(decrease) in the Asset Revaluation Surplus which means that Other Comprehensive Income and Total Comprehensive Income is included in the Statement of Income and Expenses on Behalf of the Territory. | | | | |
|  | **Budget** | | | | |
|  | The budget numbers appearing in the above statement are those published in the 2021-22 Budget Papers. | | | | |

**‘Burley Griffin Agency’**

Statement of Assets and Liabilities on Behalf of the Territory

**As at 30 June 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Reference** |  | Note No. | Actual  2022  $’000 | Original  Budget  2022  $’000 | Actual  2021  $’000 |
|  | **Current Assets** |  |  |  |  |
| AASB 1050.7(c) | Cash and Cash Equivalents | 46 |  |  |  |
| AASB 1050.7(c) | Receivables | 47 |  |  |  |
| AASB 1050.7(c) | Other Assets | 48 |  |  |  |
|  | **Total Current Assets** |  |  |  |  |
|  | **Total Assets** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Current Liabilities** |  |  |  |  |
| AASB 1050.7(d) | Payables | 49 |  |  |  |
| AASB 1050.7(d) | Other Provisions | 50 |  |  |  |
| AASB 1050.7(d) | Other Liabilities | 51 |  |  |  |
|  | **Total Current Liabilities** |  |  |  |  |
|  | **Total Liabilities** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Net Assets** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Equity** |  |  |  |  |
|  | Accumulated Funds |  |  |  |  |
|  | **Total Equity** |  |  |  |  |
|  |  | | | | |
|  | The above Statement of Assets and Liabilities on Behalf of the Territory is to be read in conjunction with the accompanying notes. | | | | |
|  |  | | | | |
|  | Commentary – Statement of Assets and Liabilities on Behalf of the Territory | | | | | |
| ACT Disclosure Policy | Agencies must include an Accumulated Funds line item in the Statement of Assets and Liabilities on Behalf of the Territory regardless of whether there are figures against it. Agencies must also include the Net Assets total line and the Total Equity line in the Statement of Assets and Liabilities on Behalf of the Territory regardless of whether there are figures against them. | | | | | |
| ACT Disclosure Policy | Agencies include this statement in order to present administered assets and liabilities as required by AASB 1050 *Administered Items.* For ease of comparison to the budget, it is ACT Disclosure Policy that Equity items are included. This statement is not intended to be a Balance Sheet and therefore does not meet all disclosure requirements that a Balance Sheet would. | | | | | |
|  | Agencies that have fair valued Territorial Property, Plant and Equipment may have an Asset Revaluation Surplus to be included in the Equity section of the table above. | | | | | |
|  | **Budget** | | | | | |
|  | The budget numbers appearing in the above Statement are those published in the 2021-22 Budget Papers. | | | | | |

**‘Burley Griffin Agency’**

Statement of Changes in Equity on Behalf of the Territory

**For the Year Ended 30 June 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Reference |  | Accumulated  Funds | | Total Equity | Original |
|  |  | Note No. | Actual  2022  $’000 | Actual  2022  $’000 | Budget  2022  $’000 |
|  |  |  |  |  |  |
|  | **Balance at 1 July 2021** |  |  |  |  |
|  | **Comprehensive Income** |  |  |  |  |
| AASB 101.106(d)(i) | Operating Result |  |  |  |  |
|  | Other Comprehensive Income |  |  |  |  |
| AASB 101.106(a) | **Total Comprehensive Income** |  |  |  |  |
|  | Transfers to/(from) reserves |  |  |  |  |
|  | **Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |  |
|  | Capital Injections |  |  |  |  |
|  | Capital (Distributions) |  |  |  |  |
|  | Net Assets transferred in as part of a Administrative Restructure | 52 |  |  |  |
|  | Net Assets transferred out as part of a Administrative Restructure | 52 |  |  |  |
|  |  |  |  |  |  |
|  | **Total Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Balance at 30 June 2022** |  |  |  |  |
|  |  | | | | |
|  | The above Statement of Changes in Equity on Behalf of the Territory is to be read in conjunction with the accompanying notes. | | | | |

**‘Burley Griffin Agency’**

**Statement of Changes in Equity on Behalf of the Territory**

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Reference |  |  | Accumulated Funds | Total Equity |
|  |  | Note No. | Actual  2021  $’000 | Actual  2021  $’000 |
|  |  |  |  |  |
|  | **Balance at 1 July 2020** |  |  |  |
|  | **Comprehensive Income** |  |  |  |
| AASB 101.106(d)(i) | Operating Result |  |  |  |
|  | Other Comprehensive Income |  |  |  |
| AASB 101.106(a) | **Total Comprehensive Income** |  |  |  |
|  |  |  |  |  |
|  | Transfers to/(from) reserves |  |  |  |
|  |  |  |  |  |
|  | **Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |
|  | Capital Injections |  |  |  |
|  | Capital (Distributions) |  |  |  |
|  | Net Assets transferred in as part of a Administrative Restructure | 52 |  |  |
|  | Net Assets transferred out as part of a Administrative Restructure | 52 |  |  |
|  | **Total Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |
|  |  |  |  |  |
|  | **Balance at 30 June 2021** |  |  |  |
|  |  |  |  |  |
|  | The above Statement of Changes in Equity on Behalf of the Territory is to be read in conjunction with the accompanying notes. | | | |
|  |  | | | |
|  | Commentary – Statement of Changes in Equity on Behalf of the Territory | | | |
|  | Agencies must include a Statement of Changes in Equity on Behalf of the Territory regardless of whether there are any amounts against the line items in this Statement. In this case just the headings (bolded above) and not the line items should be included. | | | |
|  | Agencies are free to combine, where possible, the Statement of Changes in Equity on Behalf of the Territory onto one page. | | | |
|  | Agencies that have Territorial Property, Plant and Equipment at fair value may have an Asset Revaluation Surplus line and column to be included in the Statement of Changes in Equity on Behalf of the Territory. | | | |
|  | **Budget** | | | |
|  | The budget numbers appearing in the above statement are those published in the 2021-22 Budget Papers. | | | |

**‘Burley Griffin Agency’**

Statement of Cash Flows on Behalf of the Territory

**For the Year Ended 30 June 2022**

| **Reference** |  | Note No. | Actual  2022  $’000 | Original  Budget  2022  $’000 | Actual  2021  $’000 |
| --- | --- | --- | --- | --- | --- |
|  | **Cash Flows from Operating Activities** |  |  |  |  |
|  | **Receipts** |  |  |  |  |
|  | Payment for Expenses on Behalf of the Territory |  |  |  |  |
|  | Taxes, Fees and Fines |  |  |  |  |
|  | **Total Receipts from Operating Activities** |  |  |  |  |
|  | **Payments** |  |  |  |  |
|  | Grants and Purchased Services |  |  |  |  |
|  | Transfer of Territory Receipts to the ACT Government |  |  |  |  |
|  | Other |  |  |  |  |
|  | **Total Payments from Operating Activities** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Net Cash Inflows/(Outflows) from Operating Activities** | 46 |  |  |  |
|  |  |  |  |  |  |
|  | **Net Cash Inflows/(Outflows) from Investing Activities** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Net Cash Inflows/(Outflows) from Financing Activities** |  |  |  |  |
|  |  |  |  |  |  |
|  | **Net Increase /(Decrease) in Cash and Cash Equivalents** |  |  |  |  |
|  | Cash and Cash Equivalents at the Beginning of the Reporting Period |  |  |  |  |
|  | **Cash and Cash Equivalents at the End of the Reporting Period** | 46 |  |  |  |
|  |  | | | | |
|  | The above Statement of Cash Flows on Behalf of the Territory is to be read in conjunction with the accompanying notes. | | | | |
|  |  | | | | |
|  | Commentary – Statement of Cash Flows on Behalf of the Territory | | | | |
|  | Where agencies have investing and/or financing cash flows, details of these items must be disclosed in the Investing Activities and/or Financing Activities section within the Statement of Cash Flows on Behalf of the Territory. Where there are no Investing or Financing items:   * the Net Cash Inflows/(Outflows) from Investing Activities total line; and * the Net Cash Inflows/(Outflows) from Financing Activities total line.   should still be disclosed as in the above example. | | | | |
|  | **Budget** | | | | |
|  | The budget numbers appearing in the above statement are those published in the 2021-22 Budget Papers. | | | | |

**‘Burley Griffin Agency’**

Territorial Statement of Appropriation

**For the Year Ended 30 June 2022**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Reference | Description and Material Accounting Policies relating to Payment for Expenses on Behalf of the Territory | | | | | | | |
|  | The Agency receives appropriation to fund a number of expenses incurred on behalf of the Territory, the main one being the payment of grants to various non-government organisations (See Note 44 *Grants and Purchased Services - Territorial*). | | | | | | | |
|  | Payment for Expenses on behalf of the Territory is recognised when the Agency gains control over the funding which is normally obtained upon the receipt of cash, given they do not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. | | | | | | | |
|  |  | Original  Budget  2022  $’000 | Total  Appropriated  2022  $’000 | | Appropriation  Drawn  2022  $’000 | | | Appropriation  Drawn  2021  $’000 |
|  |  | | | | | | | |
|  | **Territorial** |  | |  | |  |  | |
|  | Expenses on Behalf of the Territory |  | |  | |  |  | |
|  | **Total Territorial Appropriation** |  | |  | |  |  | |
|  | The above Territorial Statement of Appropriation is to be read in conjunction with the accompanying notes. | | | | | | | |
|  |  | | | | | | | |
|  | **Column Heading Explanations** | | | | | | | |
|  | The *Original Budget* column shows the amounts that appear in the Statement of Cash Flows in the Budget Papers. This amount also appears in the Statement of Cash Flows. | | | | | | | |
|  | The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget. | | | | | | | |
|  | The *Appropriation Drawn* is the total amount of appropriation received by the Agency during the year. These amounts appear in the Statement of Cash Flows on Behalf of the Territory. | | | | | | | |
|  |  | | | | | | | |
|  | Commentary – Territorial Statement of Appropriation | | | | | | | |
| FMA Section 8 | An Appropriation Act must make separate appropriations in relation to each Directorate for any payments to be made by the Directorate on Behalf of the Territory (i.e. for territorial expenses) | | | | | | | |
|  | Where an agency has a material difference between ‘Total Appropriated’ and ‘Appropriation Drawn’ it should explain why there is a variance. Further, it is recommended that agencies provide explanatory details of significant approved appropriation variations (i.e. variance between the ‘Original Budget’ and ‘Total Appropriated’). A tabular presentation of the variance explanation similar to that shown in the Statement of Appropriation (Controlled Statements) should be used if it would assist understanding the reasons for the variance. | | | | | | | |
| FMA Section 37A | If a directorate receives an amount of territorial appropriation (Payment for Expenses on Behalf of the Territory or a Capital Injection) that is excess to its requirements, it may repay the excess amount, or part of the excess amount, to the Territory Banking Account. The appropriation from which the excess was paid to the directorate is restored by the amount it repaid to the Territory Banking Account. The balance of the appropriation, including the amount repaid, may be applied for the purposes for which it was appropriated. | | | | | | | |
|  | Agencies should disclose appropriation amounts returned (if any) in a footnote to the ‘Appropriation Drawn’ in the Territorial Statement of Appropriation. | | | | | | | |
|  | Note 41. Basis of Preparation of the Financial Statements – Territorial | | | | | | | | |
|  | The basis of preparation of ‘Burley Griffin’s Agency’ are contained in Note 2 *Basis of Preparation of the Financial Statements* and apply to both the Controlled and Territorial financial statements. | | | | | | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | Note 42. Taxes, Licences, Fees and Fines – Territorial | | |
|  | Description and Material Accounting Policies Relating to Taxes, Licences, Fees and Fines - Territorial | | |
|  | ‘Burley Griffin Agency’ collects taxes, licences, fees and fines on behalf of the Territory. | | |
|  | *Motor Vehicle Registration Duty* | | |
|  | Revenue from motor vehicle registration duty arises when a member of the public registers a new vehicle for the first time, transfers a vehicle’s registration to another person or registers an imported second-hand vehicle for the first time. The amount of duty payable depends on the type of vehicle and its dutiable value being the higher of the purchase price and the market value of the vehicle. Revenue is recognised at the time of payment. | | |
|  | *Drivers’ Licence Revenue* | | |
|  | Drivers’ licence revenue relates to members of the public paying for a licence to operate or seek to operate a vehicle within the ACT. Licences can generally be obtained for either a 5 or 10 year period. Given each licence is less than the ACT low-transaction licence threshold of $10,000, the drivers licence revenue is recognised upon issue of the licence rather than evenly over the term of the licence. | | |
|  | *Fees for Regulatory Services* | | |
|  | Fees for regulatory services relate to ‘Burley Griffin Agency’ collecting all fees and charges under the Work Safety Act. Fees are generally either recognised as revenue at the time of receipt or when the fee is incurred. | | |
|  | *Traffic Fines and Parking Fines* | | |
|  | Traffic fines and parking fines are issued upon an infringement event occurring and are recognised as revenue on the issue of the relevant infringement notice. However, the revenue recognised is adjusted for the expected disputes, which are estimated based on historical data. Historical data shows that there is approximately <5%> of fines that are successfully disputed. Where the fine attracts a penalty for late payment, the penalty amount is recognised as revenue on issue of the late payment notice. | | |
|  | **Impact of COVID-19** | | |
|  | Since the commencement of the COVID-19 pandemic ‘Burley Griffin Agency’ has lost a material amount of traffic fine and parking fine revenue. It is estimated that there was only 10% of pre COVID‑19 levels of traffic on Canberra roads during the lock down introduced by the ACT Government during August 2021 to November 2021, in response to the Delta outbreak. Since the lockdown ended and people have returned to school and work, the amount of traffic has slowly recovered and is now estimated to be at 75% of pre COVID-19 levels. The reduction in traffic over the current financial year has resulted in lower traffic fines of approximately $xxx million and lower parking fines of approximately $xxx million when compared to pre-pandemic levels. | | |
|  |  | 2022  **$’000** | 2021  **$’000** |
|  | **Taxes** |  |  |
|  | Motor Vehicle Registration Duty |  |  |
|  | Other Taxes |  |  |
|  | **Total Taxes** |  |  |
|  |  |  |  |
|  | **Licences** |  |  |
|  | Drivers’ Licences |  |  |
|  | **Total Licences** |  |  |
|  |  |  |  |
|  | **Fees** |  |  |
|  | Fees for Regulatory Services |  |  |
|  | Other Fees |  |  |
|  | **Total Fees** |  |  |
|  |  |  |  |
|  | **Fines** |  |  |
|  | Traffic Fines |  |  |
|  | Parking Fines |  |  |
|  | **Total Fines** |  |  |
|  |  |  |  |
|  | **Total Taxes, Licences, Fees and Fines** |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | Commentary – Note 42: Taxes, Licences, Fees and Fines – Territorial | | |
| ACT Disclosure Policy | The break-up of Taxes, Licences, Fees and Fines shown here is an example only. As Taxes, Licences, Fees and Fines collected are generally unique to each agency, the break-up of this note disclosure will differ between agencies. Agencies will need to disclose relevant line items of Taxes, Licences, Fees and Fines that apply to them. It is ACT Disclosure policy that all material line items within Taxes, Licences, Fees and Fines be separately disclosed in this note. | | |
| ACT Disclosure Policy | In addition, agencies should modify the length of the description and material accounting policies provided for each revenue type based on the materiality and complexity of that revenue type. That is, the more material and complex the revenue type, the longer the description and accounting policy should be for that revenue type. The less material and complex the revenue type, the shorter the description and accounting policy should be for that revenue type. | | |
|  | Revenue from licences is accounted for under AASB 15 (see exemptions below), while income from taxes is accounted for under AASB 1058. | | |
|  | AASB 15 contains guidance for application by not-for-profit public sector licensors including:   * + for non-contractual licences;   + distinguishing a licence from a tax;   + clarifying the types of licences issued by not-for-profit public sector licensors;   + clarifying the application of its principles to licences that are not within the scope of other Australian Accounting Standards; and   + providing recognition exemptions for short-term licences (a term of 12 months or less) and licences issued for a low transaction price (ACT Government agencies will apply a threshold of $10,000 to determine whether a licence has a low-transaction price). In these cases, revenue is recognised either at the point in time the licence is issued, or on a straight-line basis over the licence term or another systematic basis. | | |
| AASB 15.Aus8.3 | AASB 16 states licences that are in substance leases or contain leases, except licences of intellectual property, fall within the scope of AASB 16. | | |
| AASB 15G.26 | Examples of low-value licences include driver licences, marriage licences and working with vulnerable people checks. | | |
|  | Note 43. Other Income – Territorial | | |
|  | **Description and Material Accounting Policies Relating to Other Gains - Territorial** | | |
|  | *Other Revenue and Other Gains* | | |
|  | Other Revenue arises from the core activities of ‘Burley Griffin Agency’, whereas Other Gains are transactions that are not part of the Agency’s core activities and tend to be one off, more unusual transactions. | | |
|  |  |  |  |
|  |  | **2022**  **$’000** | **2021**  **$’000** |
|  | **Other Income** |  |  |
|  | **Other Gains** |  |  |
|  | Reversal of provision of receivables written off during the year as uncollectible |  |  |
|  | Other |  |  |
|  | **Total Other Gains** |  |  |
|  |  |  |  |
|  | **Total Other Income** |  |  |
|  |  | | |
|  | Commentary – Note 43: Other Income – Territorial | | |
|  | The breakdown shown in this note disclosure is an example only. Directorates should only include line items that are applicable to them where material. | | |
| AASB 101.7  AASB 108.5  ACT Disclosure Policy | The notion of materiality applies to the classification of other income. Each material class of gains must be disclosed separately and the total of unclassified gains must not exceed 10% of total gains disclosed in the note. | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | Note 44. Grants and Purchased Services – Territorial | | |
|  | **Description and Material Accounting Policies Relating to Grants and Purchased Services - Territorial** | | |
|  | Grants are amounts provided, by the Agency, to non‑ACT Government agencies for general assistance or for a particular purpose. Grants may be for capital, current or recurrent purposes and the category reflects the use of the grant. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. | | |
|  | Purchased services are amounts paid to obtain services from other ACT Government agencies and external parties. ‘Burley Griffin Agency’ has only purchased services from other ACT Government Agencies. | | |
|  |  |  |  |
|  |  | **2022**  **$’000** | **2021**  **$’000** |
|  | **Recurrent Grants** |  |  |
|  | Environment Management Organisations |  |  |
|  | Community Heritage Organisations |  |  |
|  |  |  |  |
|  | **Total Recurrent Grants** |  |  |
|  |  |  |  |
|  | **Capital Grants** |  |  |
|  | Environment Management Organisations |  |  |
|  | Community Heritage Organisations |  |  |
|  |  |  |  |
|  | **Total Capital Grants** |  |  |
|  |  |  |  |
|  | **Purchased Services** **Payments** |  |  |
|  | ‘Example Heritage Authority’ |  |  |
|  | ‘Example Land Management Authority’ |  |  |
|  | **Total Purchased Services Payments** |  |  |
|  |  |  |  |
|  | **Total Grants and Purchased Services** |  |  |
|  |  | | |
|  | Commentary – Note 44: Grants and Purchased Services – Territorial | | |
| AASB 1050.22 | The breakup of grants and purchased services included here are of a general nature, as they will differ between each agency. Under AASB 1050 *Administered Items,* details of the broad categories of recipients and the amounts transferred to those recipients need to be disclosed in this note. Individual names of grant recipients are not required, however, an appropriate broad category description should be provided so that the users of the financial statements can understand the nature and amount of grants being administered by ‘Burley Griffin Agency’. For example, the Model identifies a broad category titled ‘Environment Management Organisations’ rather than disclosing the numerous individual organisations which are in this category. | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference** | Note 45. Other Expenses – Territorial | | | | | | |
|  | **Description and Material Accounting Policies Relating to Other Expenses - Territorial** | | | | | | |
|  | *Waivers* | | | | | | |
| FMA Section 131 (1)(a) | The Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. The Treasurer has waived loans owing to ‘Burley Griffin Agency’ from third parties. | | | | | | |
|  | Debts are expensed during the year in which the right to payment was waived. | | | | | | |
|  | *Impairment Losses – Receivables* | | | | | | |
|  | A matrix is used to calculate the amount of lifetime expected credit loss which factors practical and justifiable forward-looking information, including forecast economic changes expected to impact ‘Burley Griffin Agency’s’ receivables (See Note 47 *Receivables*). | | | | | | |
|  |  | | | **2022**  **$’000** | | **2021**  **$’000** | |
|  | Waivers (see below for further information about Waivers) | | |  | |  | |
|  | Impairment Loss | | |  | |  | |
|  | - Expected Credit Loss Expense – Accounts Receivables | | |  | |  | |
|  | Write-offs | | |  | |  | |
| ACT Disclosure Policy | - Losses or Deficiencies in Public Monies | | |  | |  | |
| ACT Disclosure Policy | - Irrecoverable Debts | | |  | |  | |
|  | Other Expenses | | |  | |  | |
|  |  | | |  | |  | |
|  | **Total Other Expenses** | | |  | |  | |
|  |  | | |  | |  | |
|  |  | | |  | |  | |
|  |  | **No.** | **2022**  **$’000** | | **No.** | | **2021**  **$’000** |
|  | **Breakdown of Waivers** |  |  | |  | |  |
|  | Stimulus Waivers |  |  | |  | |  |
|  | Other Waivers |  |  | |  | |  |
|  | **Total Waivers** |  |  | |  | |  |
|  |  |  |  | |  | |  |
|  | **Commentary − Note 45: Other Expenses – Territorial** | | | | | | |
|  | A waiver is the relinquishment of a legal claim to a debt. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Agency to recover the amount. The write-off of debts may occur for reasons other than waivers. | | | | | | |
| FMA Section 131 (3) | A waiver relating to an amount payable to the Territory shall be reported in the notes to the financial statements of the relevant agency that relate to the year in which the right to payment was waived. | | | | | | |
| ACT Disclosure Policy | The wavier and write-off disclosures required by this note are material by nature so disclosure is required regardless of the amount of these items. However, where a prior period error is discovered in relation to a wavier or write-off, then the error would have to be material by amount for a ‘Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error’ Note disclosure to be warranted. | | | | | | |
| ACT Disclosure Policy | If an agency has waivers associated with a government policy, then the note should provide details of waivers by policy type. Individual recipients of waivers should not be identified unless they have agreed to such disclosure. | | | | | | |
|  | **Losses or Deficiencies in Public Monies** | | | | | | |
| ACT Disclosure Policy | The ‘Losses or Deficiencies in Public Monies’ line item will include a number of different items including, but not limited to, the following: | | | | | | |
| Chief Minister’s Annual Report Directions | * decrease in monies due to fraud; * monies which cannot be accounted for; and * monies which have been lost.   The Chief Minister’s Annual Report Directions requires further disclosure of fraud in the Annual Report. | | | | | | |

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| **Reference** | Note 46. Cash and Investments – Territorial | | | | | |
|  | **Description and Material Accounting Policies Relating to Cash and Investment - Territorial** | | | | | |
|  | Under the whole-of-government banking arrangements, given the agency holds a Set-Off Bank account, interest is not earned on ‘Deposits Held at Call with a Financial Institution’. | | | | | |
|  |  | **2022**  **$’000** | | **2021**  **$’000** | | |
|  | **(a) Cash and Investment Balances** |  | |  | | |
|  | **Cash and Investments** |  | |  | | |
|  | **Cash and Cash Equivalents** |  | |  | | |
|  | Cash on Hand |  | |  | | |
|  | Deposits Held at Call with a Financial Institution |  | |  | | |
|  | **Total Cash and Cash Equivalents** |  | |  | | |
|  | **Total Cash and Investments** |  | |  | | |
|  |  | | | | | | |
|  | **(b) Reconciliation of Cash and Cash Equivalents at the end of the Reporting Period in the Statement of Cash Flows on Behalf of the Territory to the Related Items in the Statement of Assets and Liabilities on Behalf of the Territory** | | | | | | |
|  |  | | | | | | |
|  | Total Cash and Cash Equivalents Recorded in the Statement of Assets and Liabilities on Behalf of the Territory | |  | |  | | |
|  | Bank Overdraft | |  | |  | | |
|  | **Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows** **on Behalf of the Territory** | |  | |  | | |
|  |  | |  | |  | | |
|  | **(c) Reconciliation of the Operating Result to Net Cash Inflows from Operating Activities** | | | | | | |
|  | Operating Result | |  | | |  | |
|  | **Add/(Less) Non-Cash Items** | |  | | |  | |
|  | Forgiveness of Liabilities | |  | | |  | |
|  | **Cash Before Changes in Operating Assets and Liabilities** | |  | | |  | |
|  |  | |  | | |  | |
|  | **Changes in Operating Assets and Liabilities** | |  | | |  | |
|  | (Increase)/Decrease in Receivables | |  | | |  | |
|  | (Increase)/Decrease in Other Assets | |  | | |  | |
|  | Increase/(Decrease) in Payables | |  | | |  | |
|  | Increase/(Decrease) in Other Provision | |  | | |  | |
|  | Increase/(Decrease) in Other Liabilities | |  | | |  | |
|  | **Net Changes in Operating Assets and Liabilities** | |  | | |  | |
|  | **Net Cash Inflows from Operating Activities** | |  | | |  | |
|  |  | | | | | | |
|  | Commentary – Note 46: Cash and Investments – Territorial | | | | | | |
|  | Cashflow Reconciliation | | | | | | |
|  | Agencies must include the:   * ‘Operating Result’ line item; * ‘Add/(Less) Non-Cash Items’ line item; and * ‘Cash Before Changes in Operating Assets and Liabilities’ line item.   in the cash flow reconciliation regardless of whether there are figures against them. | | | | | | |

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| **Reference** | Note 47. Receivables and Contract Assets –Territorial | | | | | | |
|  | **Description and Material Accounting Policies Relating to Receivables and Contract Assets - Territorial** | | | | | | |
|  | ‘Burley Griffin Agency’s’ territorial receivables arise from the collection of fees and fines. Receivables relating to the fees are recognised when the fee is incurred and receivables relating to fines are recognised when the infringement notice is issued. These are generally due within <30> days after the fee is incurred or the notice is issued. | | | | | | |
|  | *Impairment loss – Fees and Fines Receivable* | | | | | | |
|  | The allowance for expected credit losses represents the amount of fees and fines receivable the Agency estimates will not be repaid. The allowance for impairment losses is calculated using a lifetime expected credit loss provision matrix which is based on several categorisations of receivables. The calculation factors in objective evidence available to the agency and a review of overdue balances. The categorisations are based upon the demonstrated pattern of collections over the past <3> years adjusted for justifiable forward-looking information, including forecast economic changes expected to impact on receivables. | | | | | | |
|  | **Impact of COVID-19** | | | | | | |
|  | ‘Burley Griffin Agency’s’ Expected Credit Losses have increased reflecting changes in the ability of people to settle their debts. | | | | | | |
|  |  | | | **2022** | | | **2021** |
|  |  | | | **$’000** | | | **$’000** |
|  | **Current Receivables** | | |  | |  | |
|  | Fees for Regulatory Services Receivable | | |  | |  | |
|  | Less: Allowance for Impairment Losses | | |  | |  | |
|  | Traffic Fines Receivables | | |  | |  | |
|  | Less: Allowance for Impairment Losses | | |  | |  | |
|  | Parking Fines Receivable | | |  | |  | |
|  | Less: Allowance for Impairment Losses | | |  | |  | |
|  | Net GST Receivable | | |  | |  | |
|  | Other Current Receivables | | |  | |  | |
|  | **Total Current Receivables** | | |  | |  | |
|  | **Total Receivables and Contract Assets** | | |  | |  | |
|  |  | | |  | |  | |
|  | **Expected Credit Loss Allowance Provision Matrix** | | | | | | |
|  | **Ageing of Receivables** | | | | | | |
|  |  | **Expected credit loss rate** | **Estimated total gross carrying amount at default** | | **Expected credit loss**  **Allowance** | | |
|  |  | **%** | **‘$000** | | **‘$000** | | |
|  | **30 June 2022** |  |  | |  | | |
|  | Not Overdue |  |  | |  | | |
|  | 1-30 Days Past Due |  |  | |  | | |
|  | 31-60 Days Past Due |  |  | |  | | |
|  | 61-90 Days Past Due |  |  | |  | | |
|  | >91 Days Past Due |  |  | |  | | |
|  | **Total** |  |  | |  | | |
|  |  |  |  | |  | | |
|  | **30 June 2021** |  |  | |  | | |
|  | Not Overdue |  |  | |  | | |
|  | 1-30 Days Past Due |  |  | |  | | |
|  | 31-60 Days Past Due |  |  | |  | | |
|  | 61-90 Days Past Due |  |  | |  | | |
|  | >91 Days Past Due |  |  | |  | | |
|  | **Total** |  |  | |  | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Reference** | **NOTE 47. RECEIVABLES –TERRITORIAL** | | | | |
|  | The Agency does not hold any collateral for receivables that are overdue or determined to be impaired. | | | | |
|  |  | | **2022**  $’000 | | **2021**  $’000 |
|  | **Reconciliation of the Loss Allowance for Receivables** | |  | |  |
|  | Allowance for Impairment Losses at the Beginning of the Reporting Period | |  | |  |
|  | Expected Credit Loss Expense | |  | |  |
|  | Reduction in Allowance from amounts Recovered During the Reporting Period | |  | |  |
|  | Reduction in Allowance from amounts Written off During the Reporting Period | |  | |  |
|  | **Allowance for Impairment Losses at the End of the Reporting Period** | |  | |  |
|  |  | |  | |  |
| ACT Disclosure Policy | **Commentary – Note 47: Receivables – Territorial** | | | | | |
|  | An agency is not required to include disclosures associated with ageing of their receivables where it has no receivables that are past due or impaired. They can simply state that ‘No receivables are past due or impaired.’ | | | | | |
|  | Agencies need not undertake an exhaustive search for information but should consider all reasonable and supportable information that is available without undue cost or effort and that is relevant to the estimate of expected credit losses, including the effect of expected prepayments. | | | | | |
|  | The agency has a net GST receivable. A net GST receivable will occur in almost all territorial financial statements as no GST is required to be remitted to the Australian Taxation Office for Payment for Expenses on Behalf of the Territory (EBT) funding or for taxes, licences, fees and fines, however, agencies will receive input tax credits for grants and purchased services provided. | | | | | |
|  | If a net GST payable arises then this amount would be disclosed at Note 49 *Payables and Contract Liabilities - Territorial* rather than in this receivables and contract asset note. | | | | | |
|  | An agency shall disclose the amount of any impairment loss recognised for each class of financial asset (including receivables). | | | | | |
|  | **Impact of COVID-19 on Expected Credit Losses** | | | | | |
|  | It is likely Expected Credit Losses (ECLs) will increase to reflect changes in the ability of people to settle their debts. Material changes to ECLs will need to be appropriately disclosed:   * ECLs (i.e. provisions) against receivables may increase substantially; and * agencies need to consider the appropriateness of their existing methodologies for predicting future ECLs. | | | | | |
|  | Note 48. Other Assets – Territorial | | | | | |
|  |  | **2022**  $’000 | | **2021**  $’000 | | |
|  |  |  | |  | | |
|  | **Current Other Assets** |  | |  | | |
|  | Prepayments |  | |  | | |
|  | Other |  | |  | | |
|  | **Total Current Other Assets** |  | |  | | |
|  | **Total Other Assets** |  | |  | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Reference** | Note 49. Payables and Contract Liabilities – Territorial | | | | |
|  | **Description and Material Accounting Policies Relating to Payables and Contract Liabilities – Territorial** | | | | |
|  | Payables include Trade Payables, Other Payables, and Payables to the Territory Banking Account. 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. | | | | |
|  | *Trade and Other Payables* | | | | |
|  | Trade and Other Payable amounts are now normally settled within <14 days> after the invoice date given the ACT Government accelerated the payments of invoices for local enterprises recognising the importance of cash flow to small and medium enterprises given the COVID-19 pandemic. | | | | |
|  |  | | | | |
|  | *Payables to the Territory Banking Account* | | | | |
|  | Payables to the Territory Banking Account arise when ‘Burley Griffin Agency’ collects taxes, licences, fees and fines or other Territorial revenue and the Agency is then obligated to onpass those funds to Government by transferring them to the Territory Banking Account. The amount of the payable is the territorial revenue collected by the Agency less any expected credit loss that has not been transferred to the Territory Banking Account by the end of the financial year. | | | | |
|  |  | |  | |  |
|  |  | | 2022  **$’000** | | 2021  $’000 |
|  | **Current Payables** | |  | |  |
|  | Trade Payables | |  | |  |
|  | Other Payables | |  | |  |
|  | Payable to the Territory Banking Account | |  | |  |
|  |  | |  | |  |
|  | **Total Current Payables** | |  | |  |
|  |  | |  | |  |
|  | **Total Payables** **and Contract Liabilities** | |  | |  |
|  |  | |  | |  |
|  |  |  | |  | |
| ACT Disclosure Policy | **Payables are Aged as Follows:** |  | |  | |
|  | Not Overdue |  | |  | |
|  | Overdue for Less than 30 Days |  | |  | |
|  | Overdue for 30 to 60 Days |  | |  | |
|  | Overdue for More than 60 Days |  | |  | |
|  | **Total Payables** |  | |  | |
|  |  |  | |  | |
|  |  | | | | |
|  | Commentary – Note 49: Payables and Contract Liabilities – Territorial | | | | |
| ACT Disclosure Policy | An agency is not required to include disclosures associated with ageing of their payables where no payables are overdue. They can simply state that ‘No payables are overdue.’ | | | | |
|  | The agency has a net GST Receivable that is shown in Note 47 *Receivables and Contract Assets - Territorial*. In most cases agencies will have a net GST Receivable. However, if a net GST Payable arises then this amount would be disclosed in this Payables and Contract Liabilities note. | | | | |
| Government Procurement Act Section 44 & 45 | The *Government Procurement Act 2001* requires interest to be paid where a commercial account is not paid in full by the 25th day of the month after the month in which the payment is due. Therefore agencies should ensure accounts are paid before interest becomes payable. | | | | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference** | Note 50. Other Provisions – Territorial | | | | | | | |
|  | **Description and Material Accounting Policies Relating to Other Provisions – Territorial** | | | | | | | |
|  | *Provision for Refund of Taxes* | | | | | | | |
|  | The Agency receives taxes from the ACT Government, Non-Government Entities and individuals. In some circumstances, taxes are overpaid by taxpayers. The Provision for Refund of Taxes is recognised at the point in time when the overpayment is realised. | | | | | | | |
|  |  | | | | | | | |
|  |  | | | 2022  **$’000** | | 2021  **$’000** | | |
|  | **Current Other Provisions** | | |  | |  | | |
|  | Provision for Refund of Taxes | | |  | |  | | |
|  | **Total Current Other Provisions** | | |  | |  | | |
|  | **Total Other Provisions** | | |  | |  | | |
|  | Note 51. Other Liabilities – Territorial | | | | | | | |
|  | **Description and Material Accounting Policies Relating to Other Liabilities - Territorial** | | | | | | | |
|  | Revenue Received in Advance is recognised when ‘Burley Griffin Agency’ has received appropriation for payments on behalf of the Territory and the Agency has not yet incurred the related expense. | | | | | | | |
|  |  | | | | 2022  **$’000** | 2021  $’000 | | |
|  | **Current Other Liabilities** | | | |  |  | | |
|  | Revenue Received in Advance | | | |  |  | | |
|  | **Total Current Other Liabilities** | | | |  |  | | |
|  | **Total Other Liabilities** | | | |  |  | | |
|  | Note 52. Restructure of Administrative Arrangements – Territorial | | | | | | |
| AASB 1004.57 | **Restructures of Administrative Arrangements 2021-22** | | | | | | |
|  | On 7 January 2022, a restructuring of administrative arrangements occurred between ‘Burley Griffin Agency’ and ABC Directorate involving a Heritage and Environment division. Please refer to Note 30*: Restructure of Administrative* *Arrangements* for details of this transfer. | | | | | | |
|  | The following table shows the territorial income and expenses associated with the Heritage and Environment division recognised by ‘Burley Griffin Agency’ for the year ended 30 June 2022. It also shows the income and expenses relating to when the division belonged to ABC Directorate. These income and expense figures were supplied by ABC Directorate and as such have been relied upon by ‘Burley Griffin Agency’. Finally, the table shows the total territorial income and expenses of the division for the whole financial year. | | | | | | |
|  |  | **Amounts Relating to when the Function was held by ABC Directorate July 2021 to Jan 2022** | **Amounts Relating to when the Function was held by ‘Burley Griffin Agency’ Jan 2022 to June 2022** | | | | **Total**  **2022** |
|  |  | **$’000** | **$’000** | | | | **$’000** |
|  | **Income** |  |  | | | |  |
|  | Payment for Expenses on Behalf of the Territory |  |  | | | |  |
|  | **Total Income** |  |  | | | |  |
|  |  |  |  | | | |  |
|  | **Expenses** |  |  | | | |  |
|  | Grants and Purchased Services |  |  | | | |  |
|  | **Total Expenses** |  |  | | | |  |
|  |  | | | | | | |
|  | Details of the Assets and Liabilities transferred are presented below. | | | | | | |

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| **Reference** | **NOTE 52. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS – TERRITORIAL – CONTINUED** | | | | | | |
| AASB 1004.57 | **Restructures of Administrative Arrangements 2020-21** | | | | | |
|  | On 1 June 2021, a restructuring of administrative arrangements occurred between ‘Burley Griffin Agency’ and XYZ Directorate involving a Heritage division. All Property, Plant and Equipment involved in this restructuring of administrative arrangement was transferred to Controlled and not to Territorial. Please refer to Note 30 *Restructure of Administrative* *Arrangements* for details of this transfer. | | | | | |
|  | **Income and Expenses** | | | | | |
|  | The following table shows the territorial income and expense items associated with the Heritage division recognised by ‘Burley Griffin Agency’ for the year ended 30 June 2021. It also shows the income and expenses relating to when the division belonged to XYZ Directorate. These income and expense figures were supplied by XYZ Directorate and as such have been relied upon by ‘Burley Griffin Agency’. Finally, the table shows the total income and expenses of the division for the whole financial year. | | | | | |
|  |  | **Amounts Relating to when the Function was held by the XYZ Directorate**  **July 2020 to May 2021** | **Amounts Relating to when the Function was held by ‘Burley Griffin Agency’**  **June 2021 to June 2021** | | |  |
|  |  | **Total 2021** |
|  |  | **$’000** | **$’000** | | | **$’000** |
|  | **Income** |  |  | | |  |
|  | Payment for Expenses on Behalf of the Territory |  |  | | |  |
|  | **Total Income** |  |  | | |  |
|  | **Expenses** |  |  | | |  |
|  | Grants and Purchased Services |  |  | | |  |
|  | **Total Expenses** |  |  | | |  |
|  | **Assets and Liabilities** | | | | | | |
|  | The territorial assets and liabilities transferred as part of the restructuring of administrative arrangements at the dates of transfer were as follows: | | | | | | |
|  |  | | | **Transferred Amounts**  **2022** | **Transferred Amounts**  **2021** | | |
|  |  | | | **$’000** | **$’000** | | |
|  | **Assets** | | |  |  | | |
|  | Cash and Investments | | |  |  | | |
|  | Receivables | | |  |  | | |
|  | **Total Assets Transferred** | | |  |  | | |
|  |  | | |  |  | | |
|  | **Liabilities** | | |  |  | | |
|  | Payables | | |  |  | | |
|  | **Total Liabilities Transferred** | | |  |  | | |
|  |  | | |  |  | | |
|  | **Total Net Assets Transferred** | | |  |  | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | Note 53. Financial Instruments – Territorial | | |
|  | **Material Accounting Policies Relating to Financial Instruments** | | |
|  | Details of the material accounting 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 note to which they relate. In addition to these policies, the following are also accounting policies relating to financial assets and liabilities. | | |
|  | Financial assets are subsequently ‘measured at amortised cost’, ‘fair value through other comprehensive income’ or ‘fair value through profit or loss’ on the basis of both:   1. the business model for managing the financial assets; and 2. the contractual cash flow characteristics of the financial assets. | | |
|  | All territorial financial assets and financial liabilities are measured at amortised cost. | | |
|  | Interest Rate Risk | | |
|  | Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.  The Agency currently has all of its financial assets and financial liabilities held in non-interest bearing arrangements. This means that the Agency is not exposed to any movements in interest rates, and as such does not have any interest rate risk. | | |
|  | *Sensitivity Analysis* | | |
|  | A sensitivity analysis has not been undertaken for the interest rate risk of the Agency as it is not exposed to any movements in interest rates. | | |
|  | Credit Risk | | |
|  | Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency’s credit risk is limited to the amount of the financial assets held less any provision for losses. The Agency expects to collect all financial assets that are not past due or impaired. There is no collateral held as security for financial assets. | | |
|  | Liquidity Risk | | |
|  | Liquidity risk is the risk that the Agency will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Agency ensures that, at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities. Also, where necessary the Agency has the ability to request additional appropriation in order to meet its territorial payables. This ensures the Agency has enough liquidity to meet its emerging financial liabilities. See the maturity analysis below for further details of when financial liabilities mature.  The Agency’s exposure to liquidity risk and the management of this risk has not changed since the previous reporting period. | | |
|  | Price Risk | | |
|  | Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Agency is not exposed to any price risk. | | |
|  | Fair Value of Financial Assets and Liabilities | | |
|  | The carrying amount of territorial financial assets and territorial financial liabilities of ‘Burley Griffin Agency’ approximate their fair value. | | |
|  | **Fair Value Hierarchy** |  |  |
|  | ‘Burley Griffin Agency’ does not have any financial assets or financial liabilities on behalf of the Territory at fair value. As such no Fair Value Hierarchy disclosures have been made. | | |

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| **Reference** | **NOTE 53. FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED** | | | | | | | | | | | | | |
| AASB 7.34(a) & 39(a) & ACT Disclosure Policy | The following table set out the Agency’s maturity analysis for financial liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2022. All financial liabilities which are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis. | | | | | | | | | | | | | |
|  |  | | | | | Fixed Interest Maturing in: | | | | | |  | | |
| AASB 7.B11 |  | Note  **No.** | Weighted Average  **Interest Rate**  **%** | Floating Interest Rate  $’000 | | 1 Year or Less  $’000 | | Over 1 Years to 5 Years  $’000 | | Over 5 Years  $’000 | | Non-Interest Bearing  $’000 | | Total  $’000 |
|  | 2022 | | | | | | | | | | | | | |
|  | **Financial Liabilities** |  |  |  | |  | |  | |  | |  | |  |
|  | Payables | 49 |  |  | |  | |  | |  | |  | |  |
|  | **Total Financial Liabilities** |  |  |  | |  | |  | |  | |  | |  |
|  |  |  |  |  | |  | |  | |  | |  | |  |
|  |  | | | | | | | | | | | | | |
|  | **2021** | | | | | | | | | | | | | |
|  | **Financial Liabilities** |  |  |  |  | |  | |  | |  | |  | |
|  | Payables | 49 |  |  |  | |  | |  | |  | |  | |
|  | **Total Financial Liabilities** |  |  |  |  | |  | |  | |  | |  | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Reference** | **NOTE 53. FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED** | | | | |
|  |  | 2022  $’000 | | 2021  $’000 | |
|  | **Carrying Amount of Each Class of Financial Liability:** |  | |  | |
|  | **Financial Liabilities** |  | |  | |
|  | Financial Liabilities Measured at Amortised Cost |  | |  | |
|  | The Agency does not have any Territorial financial liabilities in the ‘Financial Liabilities at Fair Value through Profit and Loss’ category and, as such, this category is not included above. | | | | |
|  |  |  | |  | |
|  | **Gains/ (Losses) on Each Class of Financial Liability:** |  | |  | |
|  | **Gains/ (Losses) on Financial Liabilities** |  | |  | |
|  | Financial Liabilities Measured at Amortised Cost |  | |  | |
|  |  |  | |  | |
|  | Commentary – Note 53: Financial Instruments – Territorial | | | | |
| AASB 132.AG 12 | Liabilities and assets that are not contractual (such as income taxes and GST receivables created as a result of statutory requirements imposed by governments), are not financial liabilities or financial assets. As such, non‑contractual receivables are not included in the financial instruments note. Where there are non-contractual receivables, the total amount of receivables in the receivables and contract assets note will not equal the receivables in the financial instruments note. | | | | |
|  | All ‘Burley Griffin Agency’s’ territorial receivables are statutory receivables and as such no receivables are included in the note disclosure above. | | | | |
|  |  | | | | |
|  | Note 54. Commitments – Territorial | | | | |
|  | **Other Commitments** | |  | |  |
|  | Other Commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows: | | | | |
|  |  | | | | |
|  |  | | **2022**  **$’000** | | 2021  **$’000** |
|  | Within one year | |  | |  |
|  | Later than one year but not later than five years | |  | |  |
|  | Later than five years | |  | |  |
|  | **Total Other Commitments** | |  | |  |
|  |  | |  | |  |
|  | All amounts shown in the commitment note are inclusive of GST. | | | | |
|  |  | |  | |  |
|  | Commentary – Note 54: Commitments – Territorial | | | | |
| ACT Disclosure Policy | Time Bands  Whilst there is no requirement in the accounting standards to disclose capital and expenditure commitments by time bands, ACT Disclosure Policy requires this since it is considered to provide useful information to the users of financial statements. | | | | |
|  | If there are no commitments to be reported the whole note should not be included in an Agency’s Financial Statements. | | | | |

|  |  |
| --- | --- |
| **Reference** | Note 55. Contingent Liabilities and Contingent Assets – Territorial |
|  | **Material Accounting Policies Relating to Contingent Liabilities and Contingent Assets** |
|  | Contingent liabilities and contingent assets are not recognised in the Statement of Assets and Liabilities on Behalf of the Territory due to the uncertainty regarding any possible amount or timing of any underlying claim or obligation. Instead they are disclosed and, if quantifiable, the best estimate is disclosed. |
|  | **Legal Claims** |
|  | As at 30 June 2022 there were 74 outstanding legal claims against ‘Burley Griffin Agency’ involving members of the public disputing traffic and parking fines that they had been issued in the financial year. The disputes were made on the basis that the recipient either did not believe they committed the offence or they are not liable for the offence. ‘Burley Griffin Agency’ is potentially liable for $xxx (2021 ­$xxx). |
|  | Note 56. Events after the Reporting Period – Territorial |
|  | **Administrative Arrangement After the Reporting Period** |
| AASB 110.21(a) | On 1 July 2022, the Executive approved an administrative arrangement that involved restructuring the Agency by moving its land and planning division to ‘Receiving Directorate’. The movement of the land and planning division was undertaken because the function was more closely aligned with the existing functions of ‘Receiving Directorate’. The financial effect of the administrative arrangement is not reflected in the financial statements. |
| AASB 110.21(b) | The total value of net assets transferred between the Agency and ‘Receiving Directorate’ after the reporting period was $xxx. |
|  | Note 57. Related Party Disclosures – Territorial |
|  | Refer to Note 38 *Related Party Disclosures* for disclosures relating to related parties of ‘Burley Griffin Agency’. |
|  | Note 58. Budgetary Reporting – Territorial |
|  | **Significant Accounting Judgements and Estimates – Budgetary Reporting – Territorial** |
|  | Significant judgements have been applied in determining what variances are considered ‘major variances’. Variances are considered major if both of the following criteria are met:   * The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated actual category amount (Income, Expenses, Assets, liabilities and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and * The variances (original budget to actual) are greater than plus (+) or minus (-) 10% and $15 million for the financial statement line item. [Please see Commentary in Note 39 for thresholds for Small Agencies.] |
|  | Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period Budget Statements. These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.  Note: # in the Line Item Variance % column represents a variance that is greater than 999 per cent or less than -999 per cent. |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference** | Note 58. Budgetary Reporting – Territorial –Continued | | | | | | | |
|  |  | **Variance Explanation** | | | **Actual 2022** | **Original Budget****2022** | **Variance** | **Variance** |
|  |  |  | | | **$’000** | **$’000** | **$’000** | **%** |
|  | **Operating Statement Line Items** |  | | |  |  |  |  |
|  | Taxes, Licences, Fees and Fines | 1 | | |  |  |  |  |
|  |  |  | | |  |  |  |  |
|  | **Variance Explanations** |  | | |  |  |  |  |
|  | 1. [Insert major variance explanation] | | | | | | | |
|  |  | | | | | | | |
|  |  | | | | | | | |
|  |  | | | | | | | |
|  | **Balance Sheet Line Items** |  | | |  |  |  |  |
|  | Cash and Cash Equivalents | 2 | | |  |  |  |  |
|  | Current Receivables | 3 | | |  |  |  |  |
|  | Current Payables | 4 | | |  |  |  |  |
|  |  |  | | |  |  |  |  |
|  | **Variance Explanations** |  | | |  |  |  |  |
|  | 1. [Insert major variance explanation] | | | | | | | |
|  | 1. [Insert major variance explanation] | | | | | | | |
|  | 1. [Insert major variance explanation] | | | | | | | |
|  |  | | | | | | | |
|  | **Statement of Changes in Equity** - these line items are covered in other financial statements | | | | | | | |
|  |  | | | | | | | |
|  | **Statement of Cash Flows on Behalf of the Territory Line Items** | | | | | | | |
|  | Cash and Cash Equivalents at the Beginning of the Reporting Period | | **5** |  | | | | |
|  |  | | | | | | | |
|  | **Variance Explanations** | | | | | | | |
|  | 1. [Insert major variance explanation] | | | | | | | |
|  |  | | | | | | | |
|  | **Commentary Note 58: Budgetary Reporting – Territorial** | | | | | | | | |
| ACT Disclosure Policy | AASB 1055 *Budgetary Reporting* sets out the budgetary reporting requirements for not-for-profit entities within the General Government Sector (GGS). AASB 1055 does not apply to for-profit agencies. However, it is ACT Disclosure Policy that for-profit Territory Authorities also adopt AASB 1055 for reporting purposes. | | | | | | | | |
|  | Disclosures under AASB 1055 are intended to provide users with information relevant to assessing the financial performance of an agency. The main user is considered to be the Legislative Assembly. | | | | | | | | |
|  | When a directorate’s or territory authority’s budgeted financial statements are presented to the Legislative Assembly and are separately identified, that directorate or Territory Authority will need to disclose for the reporting period:   * The original budget figures as presented to the Legislative Assembly, in a form that is consistent with the agency’s annual financial statements; and * Explanations of major variances between actual amounts presented in the financial statements and the corresponding individual original budget amounts. | | | | | | | | |
|  | It is ACT Disclosure Policy that budgetary reporting be disclosed for territorial as well as controlled. | | | | | | | | |
|  | For more information in relation to Budgetary Reporting see the Commentary in Note 40 *Budgetary Reporting*. | | | | | | | | |

1. [↑](#footnote-ref-2)
2. [↑](#footnote-ref-3)