

**VOLUME 2.1**  
Financial Statements



**ACT**  
Government

# ANNUAL REPORT

## 2015-16

Chief Minister, Treasury and  
Economic Development  
Directorate

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For further information please contact:

**Commissioner for Public Administration**  
**Chief Minister, Treasury and Economic Development Directorate**

Phone: +61 (02) 6205 0358

Website: [www.act.gov.au](http://www.act.gov.au)

Designed and typeset by:

ACTPS Shared Services GPO Box 158

Canberra City ACT 2601

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**Financial Statements**  
**For the Year Ended**  
**30 June 2016**

**ACT Executive**



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## Management Discussion and Analysis

### ACT Executive

### for the Financial Year Ended 30 June 2016

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#### General Overview

For the purpose of this reporting entity, the ACT Executive consists of the Chief Minister and other Ministers appointed by the Chief Minister, and their staff. Ministers govern the Territory and execute and maintain enactments and laws in accordance with the *Australian Capital Territory (Self-Government) Act 1988 (Cwlth)*.

A seventh minister was appointed in January 2016, which required the transfer of a non-Executive Member's Office and the associated funding from the Office of the Legislative Assembly. Additional funding, in the form of a Treasurer's Advance, was also received to support the appointment of the Seventh Minister and associated staff compared to a non-Executive Member's Office.

#### Risk Management

The ACT Executive has minimal risks in relation to its operations and has adopted risk management practices to mitigate these risks. Administrative operations are managed by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD), and the associated internal controls are those used by CMTEDD.

#### ACT Executive's Financial Performance

The following financial information is based on the ACT Executive's audited annual financial statements for 2014-15 and 2015-16 and the forward estimates contained in the 2016-17 Budget Papers.

The 2015-16 Annual Financial Statements accompanying this Management Discussion and Analysis (MD&A) uses the original budget published in the 2015-16 Budget Statements for comparative purposes, whereas the following analysis of the ACT Executive's financial performance is based on the 2015-16 Total Funding, which includes the Original Budget and financial impacts associated with supplementary appropriations and Administrative Arrangements (AAs) that may have impacted the ACT Executive during the year, where relevant.

The following table provides information on changes between the 2015-16 Original Budget and 2015-16 Total Funding, and variances between the 2015-16 Total Funding and 2015-16 actual results.

**Table 1: 2015-16 Statement of Income and Expenses on Behalf of the Territory, Net Cost of Services and Net Assets/(Liabilities) Movements between the Original Budget, Amended Budget, Total Funding and Actual Results.**

Description	Original Budget 2015-16 \$m	Amended Budget 2015-16 \$m	Plus AA Transfers <sup>1</sup> 2015-16 \$m	Total Funding 2015-16 \$m	Actual \$m	Variance Including Transfers	
						\$m	%
<b>Income</b>							
Payments for Expenses on Behalf of the Territory	8.528	8.528	-	8.528	9.120	0.592	6.9%
<b>Own Source Revenue</b>							
Resources Received Free of Charge	0.199	0.199	-	0.199	1.335	1.136	570.9%
<b>Total Own Source Revenue</b>	<b>0.199</b>	<b>0.199</b>	<b>-</b>	<b>0.199</b>	<b>1.335</b>	<b>1.136</b>	<b>570.9%</b>
<b>Total Income</b>	<b>8.727</b>	<b>8.727</b>	<b>-</b>	<b>8.727</b>	<b>10.455</b>	<b>1.728</b>	<b>19.8%</b>
<b>Expenditure</b>							
Employee and Superannuation	7.376	7.376	-	7.376	8.089	0.713	9.7%
Supplies and Services	1.353	1.353	-	1.353	2.454	1.101	81.4%
Depreciation and Amortisation	0.026	0.026	-	0.026	0.009	(0.017)	-65.4%
Borrowing Costs	0.002	0.002	-	0.002	-	(0.002)	-100.0%
<b>Total Expenditure</b>	<b>8.757</b>	<b>8.757</b>	<b>-</b>	<b>8.757</b>	<b>10.552</b>	<b>1.795</b>	<b>20.5%</b>
<b>Operating Surplus/(Deficit)</b>	<b>(0.030)</b>	<b>(0.030)</b>	<b>-</b>	<b>(0.030)</b>	<b>(0.097)</b>	<b>(0.067)</b>	<b>223.3%</b>
Total Expenditure	8.757	8.757	-	8.757	10.552	1.795	20.5%
Total Own Source Revenue	0.199	0.199	-	0.199	1.335	1.136	570.9%
<b>Net Cost of Services</b>	<b>8.558</b>	<b>8.558</b>	<b>-</b>	<b>8.558</b>	<b>9.217</b>	<b>0.659</b>	<b>7.7%</b>
Total Assets	0.324	0.324	-	0.324	0.511	0.187	57.7%
Total Liabilities	0.972	0.972	-	0.972	1.034	0.062	6.4%
<b>Net Assets/(Liabilities)</b>	<b>(0.648)</b>	<b>(0.648)</b>	<b>-</b>	<b>(0.648)</b>	<b>(0.523)</b>	<b>0.125</b>	<b>-19.3%</b>

This table may not add due to rounding.

<sup>1</sup> 'AA' means Administrative Arrangements. There were no changes to Administrative Arrangements impacting the ACT Executive during the 2015-16 financial year.

## Operating Result

The ACT Executive had an operating deficit of **\$0.097 million**, which is **\$0.067 million** higher than the 2015-16 Total Funding operating deficit of **\$0.030 million**, and **\$0.090 million** higher than the 2014-15 financial year result of **\$0.007 million**. These variances are largely due to the reasons outlined below in relation to the Net Cost of Services.

## Net Cost of Services

The net cost of services facilitates an assessment of performance by showing the full cost and composition of resources consumed in conducting the ACT Executive's operations. The net cost of services also reflects the impost the ACT Executive has on the Territory's financial performance.

Net cost of services is calculated as total expenditure minus own source revenue. Own source revenue represents total income, less Payment for Expenses on Behalf of the Territory (EBT) appropriation.

**Table 2: Total Net Cost of Services**

	Actual 2014-15 \$m	Original Budget 2015-16 \$m	Actual 2015-16 \$m	Forward Estimate 2016-17 \$m	Forward Estimate 2017-18 \$m	Forward Estimate 2018-19 \$m	Forward Estimate 2019-20 \$m
Total Expenditure	9.534	8.757	10.552	10.758	10.891	11.075	11.253
Total Own Source Revenue	1.304	0.199	1.335	0.577	0.591	0.606	0.621
<b>Net Cost of Services</b>	<b>8.230</b>	<b>8.558</b>	<b>9.217</b>	<b>10.181</b>	<b>10.300</b>	<b>10.469</b>	<b>10.632</b>

This table may not add due to rounding.

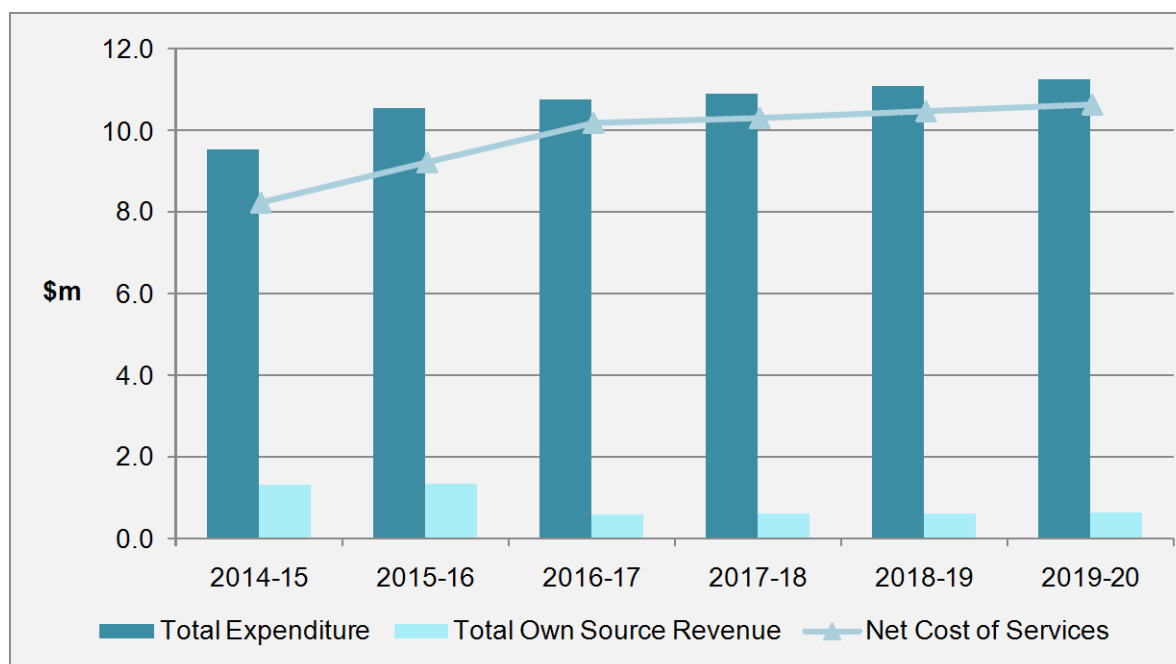
### 1. Comparison to Original Budget

ACT Executive's net cost of services for 2015-16 of **\$9.217 million** was **\$0.659 million** higher than the original 2015-16 Budget, largely resulting from the appointment of the Seventh Minister and associated staff.

### 2. Comparison to 2014-15 Actual Result

Total net cost of services of **\$9.217 million** was **\$0.987 million** or **12.0 per cent** higher than the prior year, mainly reflecting the appointment of the Seventh Minister and associated staff, Remuneration Tribunal Outcomes and an increase in wages for ministerial staff as a result of the 2013-17 Enterprise Bargaining Agreement (EBA).

### 3. Future Trends

**Figure 1: Net Cost of Services**

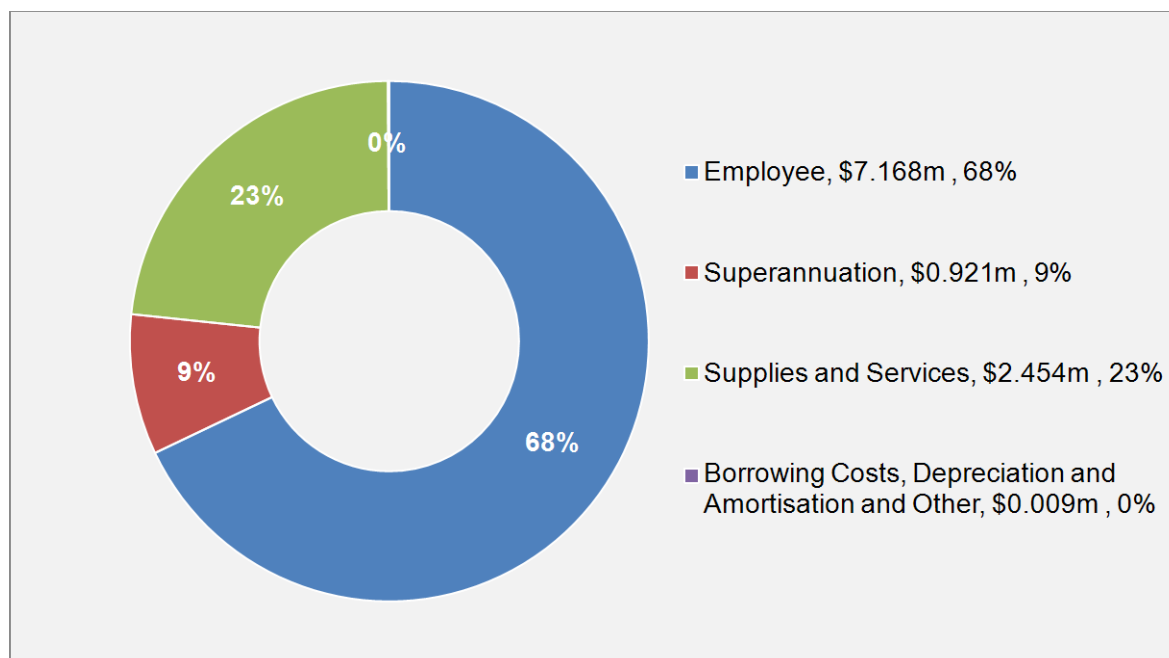
In the 2016-17 Budget Papers, the ACT Executive forecast a stable trend in net cost of services in 2016-17 and across the forward estimates. The increased net cost of services reflects the appointment of the Seventh Minister and associated staff in January 2016.

## Total Expenditure

### 1. Components of Expenditure

Figure 2 below indicates the components of the ACT Executive expenditure for 2015-16, with the largest component being employee related expenditure (employee and superannuation expenses) (**77 per cent** or **\$8.089 million**).

Figure 2: Components of Expenditure for 2015-16



### 2. Comparison to the Original Budget

Total expenditure for the 2015-16 financial year of **\$10.552 million** was **\$1.795 million** or **20.5 per cent** higher than the original budget of **\$8.757 million**, mainly due to increases in employee related expenses (\$0.713 million) and supplies and services expenditure (\$1.101 million). These increases reflect the appointment of the Seventh Minister, services received free of charge from the Government Solicitor's Office (GSO) and the first time recognition of rent received free of charge from the Office of the Legislative Assembly (OLA).

### 3. Comparison to 2014-15 Actual Expenditure

Total expenditure for 2015-16 was **\$1.018 million** or **10.7 per cent** higher than the previous year, due largely to increases in employee related expenses (\$0.861 million) and supplies and services expenditure (\$0.239 million). These increases reflect the appointment of the Seventh Minister, Remuneration Tribunal Outcomes, an increase in wages for ministerial staff as a result of the 2013-17 Enterprise Bargaining Agreement (EBA), and an increased use of space in the legislative assembly building following the appointment of the Seventh Minister.

## Total Own Source Revenue

### 1. Components of Own Source Revenue

The ACT Executive's own source revenue of **\$1.335 million** consists of Resources Received Free of Charge (RRFoC), and an Other Gain for 2014-15.

### 2. Comparison to the Original Budget

Own source revenue for the year ending 30 June 2016 was **\$1.335 million** or **570.9 per cent** higher than the original 2015-16 Budget of **\$0.199 million**. This is due to additional services received free of charge from the Government Solicitor's Office (GSO), Justice and Community Safety Directorate (JACSD) during the year, and the first time recognition of rent received free of charge from OLA.

### 3. Comparison to 2014-15 Actual Income

Own source revenue for the year ending 30 June 2016 was **\$0.031 million** or **2.4 per cent** higher than the 2014-15 result of **\$1.304 million**. This increase largely relates to resources received free of charge, and is largely due to an increased use of the legislative assembly building following the appointment of the Seventh Minister, partially offset by a lower level of legal services received from the GSO, and the other gain impact resulting from the transfer of vehicle finance leases to operating leases in 2014-15 due to changes to whole of government vehicle leasing arrangements with SG Fleet from 23 April 2015.

### ACT Executive's Financial Position

#### Net Assets/(Liabilities)

Net Liabilities for the financial year ended 30 June 2016 were **\$0.523 million**, which is **\$0.125 million** lower than the original budget Net Liabilities of **\$0.648 million**, and **\$0.097 million** higher than the 30 June 2015 actual Net Liabilities of **\$0.426 million**. Reasons for these variations are explained in the following sections.

**Table 3: Net Assets/(Liabilities)**

	Actual 2015 \$m	Original Budget 2016 \$m	Actual 2016 \$m
Total Assets	0.685	0.324	0.511
Total Liabilities	1.109	0.972	1.034
<b>Net Assets/(Liabilities)</b>	<b>(0.426)</b>	<b>(0.648)</b>	<b>(0.523)</b>

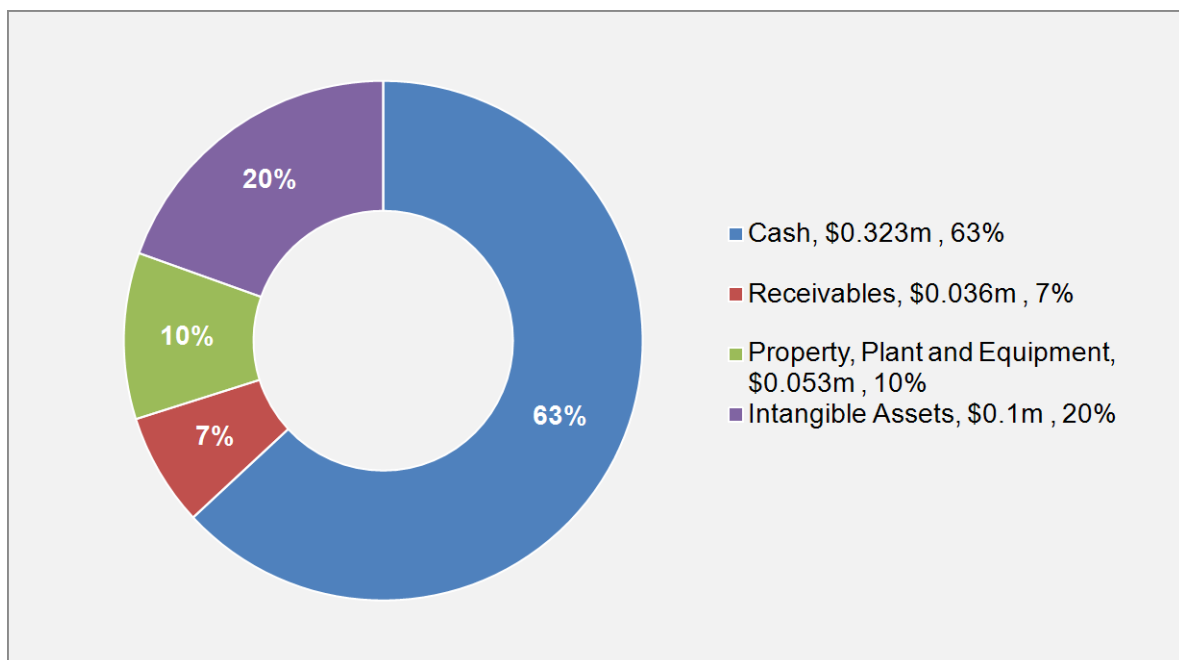
This table may not add due to rounding.

### Total Assets

#### 1. Components of Total Assets

Figure 3 below indicates that for the financial year ended 30 June 2016, the ACT Executive held **63 per cent** of its assets as cash, **7 per cent** as receivables, **10 per cent** as property, plant and equipment, and **20 per cent** as intangible assets.

**Figure 3: Total Assets as at 30 June 2016**



## 2. Comparison to Original Budget

The total asset position as at 30 June 2016 is **\$0.511 million**, **\$0.187 million** higher than the original 2015-16 Budget of **\$0.324 million**, largely due to an increase in intangible assets resulting from the addition of the Mobile X Diary Management System, partially offset by a decrease in property, plant and equipment resulting from the transfer of all vehicle finance leases to operating leases on 23 April 2015 because of a change in the whole of government vehicle leasing arrangements with SG Fleet from that date.

## 3. Comparison to the 30 June 2015 Actual

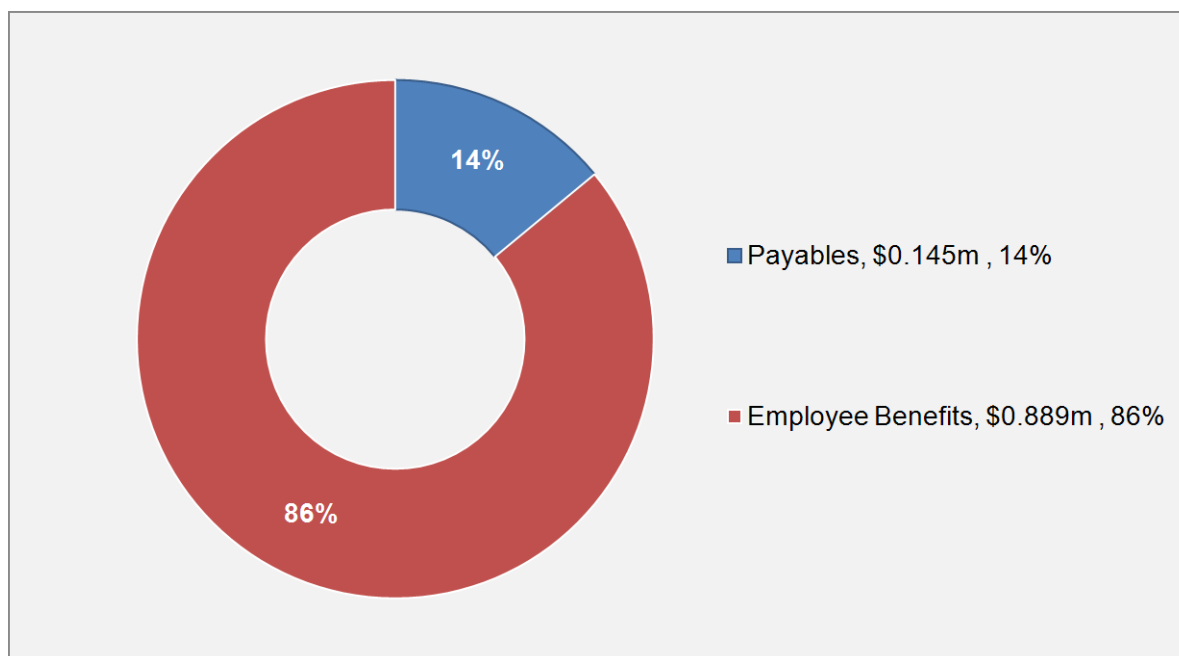
The ACT Executive's total asset position is **\$0.174 million** lower than the 30 June 2015 result of **\$0.685 million**, mostly due to decreases in cash as a result of the timing difference between when cash was drawn down in 2014-15 and the payment of an additional pay period was made in 2015-16, partially offset by the installation of a new Mobile X Diary Management System.

## Total Liabilities

### 1. Components of Total Liabilities

Figure 4 below indicates that **86 per cent** of the ACT Executive's liabilities relate to employee benefits, with the balance relating to payables. The employee benefits liability relates to accumulated leave and accrued salaries.

Figure 4: Total Liabilities as at 30 June 2016



### 1. Comparison to Original Budget

The ACT Executive's total liabilities for the year ended 30 June 2016 of **\$1.034 million** is **\$0.062 million** higher than the original budget of **\$0.972 million**, largely due to increased employee entitlements resulting from the transfer of a non-Executive Member (now the Seventh Minister) and associated staff from the Office of the Legislative Assembly (OLA) during the year.

### 2. Comparison to the 30 June 2015 Actual

Total liabilities are **\$0.075 million** lower than the 30 June 2015 result of **\$1.109 million**, largely due to an increase in employee entitlements resulting from the transfer of a non-Executive Member (now the Seventh Minister) and associated staff from the Office of the Legislative Assembly (OLA) during the year, partially offset by the timing difference between when cash was drawn down in 2014-15 and the payment of an additional pay was made in 2015-16.

## **INDEPENDENT AUDIT REPORT**

### **ACT EXECUTIVE**

**To the Members of the ACT Legislative Assembly**

#### **Report on the financial statements**

The financial statements of the ACT Executive for the year ended 30 June 2016 have been audited. These comprise the 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, cash flow statement on behalf of the Territory, Territorial statement of appropriation and accompanying notes.

#### **Responsibility for the financial statements**

The Director-General of the Chief Minister, Treasury and Economic Development Directorate is responsible for the preparation and fair presentation of the financial statements in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

#### **The auditor's responsibility**

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the financial statements of the ACT Executive.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial statements or evaluate the prudence of decisions made by the ACT Executive.

### **Electronic presentation of the audited financial statements**

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, then they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

### **Independence**

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

### **Audit opinion**

In my opinion, the financial statements of the ACT Executive for the year ended 30 June 2016:

- (i) are presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the ACT Executive at 30 June 2016 and the results of its operations and cash flows for the year then ended.

This audit opinion should be read in conjunction with the other information disclosed in this report.



Dr Maxine Cooper  
Auditor-General

17 August 2016


**ACT Executive  
Financial Statements  
For the Year Ended 30 June 2016**

**Statement of Responsibility**

In my opinion, the financial statements are in agreement with the ACT Executive's accounts and records and fairly reflect the financial operations of the ACT Executive for the year ended 30 June 2016 and the financial position of the ACT Executive on that date.



Kathy Leigh  
Director-General  
Chief Minister, Treasury and Economic Development Directorate

 August 2016

**ACT Executive  
Financial Statements  
For the Year Ended 30 June 2016**

**Statement by the Chief Finance Officer**

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the ACT Executive's accounts and records and fairly reflect the financial operations of the ACT Executive for the year ended 30 June 2016 and the financial position of the ACT Executive on that date.



Paul Ogden  
Chief Finance Officer  
Chief Minister, Treasury and Economic Development Directorate

15 August 2016

**ACT Executive**

**Territorial Financial Statements**

**For the Year Ended  
30 June 2016**



**ACT Executive**  
**Statement of Income and Expenses on Behalf of the Territory**  
**For the Year Ended 30 June 2016**

		Actual	Original	Actual
	Note	2016	Budget	2015
	No.	\$'000	\$'000	\$'000
<b>Income</b>				
<i>Revenue</i>				
Payment for Expenses on Behalf of the Territory	4	9 120	8 528	8 223
Resources Received Free of Charge <sup>1</sup>	5	1 335	199	1 257
<b>Total Revenue</b>		<b>10 455</b>	<b>8 727</b>	<b>9 480</b>
<i>Gains</i>				
Other Gains	6	-	-	47
<b>Total Gains</b>		<b>-</b>	<b>-</b>	<b>47</b>
<b>Total Income</b>		<b>10 455</b>	<b>8 727</b>	<b>9 527</b>
<b>Expenses</b>				
Employee Expenses	7	7 168	6 556	6 425
Superannuation Expenses	8	921	820	803
Supplies and Services <sup>1</sup>	9	2 454	1 353	2 215
Depreciation and Amortisation	11	9	26	29
Borrowing Costs	12	-	2	7
Other Expenses	13	-	-	55
<b>Total Expenses</b>		<b>10 552</b>	<b>8 757</b>	<b>9 534</b>
<b>Operating Surplus/(Deficit)</b>		<b>(97)</b>	<b>(30)</b>	<b>(7)</b>
<b>Total Comprehensive Income/(Deficit)</b>		<b>(97)</b>	<b>(30)</b>	<b>(7)</b>

This table may not add due to rounding.

The above Statement of Income and Expenses on Behalf of the Territory should be read in conjunction with the accompanying notes.

<sup>1</sup> The 2014-15 figures for Resources Received Free of Charge and Supplies and Services were amended to include the cost of rent received free of charge from the Office of the Legislative Assembly (OLA), which was not previously reported.

**ACT Executive**  
**Statement of Assets and Liabilities on Behalf of the Territory**  
**As at 30 June 2016**

	<b>Note</b>	<b>Actual</b>	<b>Original</b>	<b>Actual</b>
	<b>No.</b>	<b>2016</b>	<b>Budget</b>	<b>2015</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>				
Cash	15	323	154	554
Receivables	16	36	17	76
<b>Total Current Assets</b>		<b>359</b>	<b>171</b>	<b>630</b>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	17	53	153	55
Intangible Assets	18	99	-	-
<b>Total Non-Current Assets</b>		<b>152</b>	<b>153</b>	<b>55</b>
<b>Total Assets</b>		<b>511</b>	<b>324</b>	<b>685</b>
<b>Current Liabilities</b>				
Payables	19	145	374	173
Employee Benefits	20	889	539	936
<b>Total Current Liabilities</b>		<b>1 034</b>	<b>913</b>	<b>1 109</b>
<b>Non-Current Liabilities</b>				
Employee Benefits		-	59	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>59</b>	<b>-</b>
<b>Total Liabilities</b>		<b>1 034</b>	<b>972</b>	<b>1 109</b>
<b>Net Assets/(Liabilities)</b>		<b>(523)</b>	<b>(648)</b>	<b>(426)</b>
<b>Equity</b>				
Accumulated Surpluses/(Deficits)		(523)	(653)	(426)
Asset Revaluation Surplus	21	-	5	-
<b>Total Equity</b>		<b>(523)</b>	<b>(648)</b>	<b>(426)</b>

This table may not add due to rounding.

The above Statement of Assets and Liabilities on Behalf of the Territory should be read in conjunction with the accompanying notes.

**ACT Executive**  
**Statement of Changes in Equity on Behalf of the Territory**  
**For the Year Ended 30 June 2016**

		Accumulated Funds Actual 2016 \$'000	Asset Revaluation Surplus Actual 2016 \$'000	Total Equity Actual 2016 \$'000	Original Budget 2016 \$'000
<b>30 JUNE 2016</b>	<b>Note No.</b>				
<b>Balance at 1 July 2015</b>		<b>(426)</b>	<b>-</b>	<b>(426)</b>	<b>(618)</b>
<b>Comprehensive Income</b>					
Operating Surplus/(Deficit)		(97)	-	(97)	(30)
<b>Total Comprehensive Income/(Deficit)</b>		<b>(97)</b>	<b>-</b>	<b>(97)</b>	<b>(30)</b>
<b>Balance at 30 June 2016</b>		<b>(523)</b>	<b>-</b>	<b>(523)</b>	<b>(648)</b>

This table may not add due to rounding.

		Accumulated Funds Actual 2015 \$'000	Asset Revaluation Surplus Actual 2015 \$'000	Total Equity Actual 2015 \$'000
<b>30 JUNE 2015</b>				
<b>Balance at 1 July 2014</b>		<b>(682)</b>	<b>5</b>	<b>(677)</b>
<b>Comprehensive Income</b>				
Operating Surplus/(Deficit)		(7)	-	(7)
Asset Revaluation Surplus Increase/(Decrease)	21	-	(5)	(5)
<b>Total Comprehensive Income/(Deficit)</b>		<b>(7)</b>	<b>(5)</b>	<b>(12)</b>
<b>Transactions Involving Owners Affecting Accumulated</b>				
Capital Injections		264	-	264
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>		<b>264</b>	<b>-</b>	<b>264</b>
<b>Balance at 30 June 2015</b>		<b>(426)</b>	<b>-</b>	<b>(426)</b>

This table may not add due to rounding.

The above Statement of Changes in Equity on Behalf of the Territory should be read in conjunction with the accompanying notes.

**ACT Executive**  
**Cash Flow Statement on Behalf of the Territory**  
**For the Year Ended 30 June 2016**

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Cash from Government for Expenses on Behalf of the Territory		9 120	8 528	8 223
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		102	106	37
<b>Total Receipts from Operating Activities</b>		<b>9 222</b>	<b>8 634</b>	<b>8 260</b>
<b>Payments</b>				
Employees		7 193	6 725	6 291
Superannuation		946	856	797
Supplies and Services		1 110	1 181	855
Borrowing Costs		-	2	7
Goods and Services Tax Paid to Suppliers		98	106	30
<b>Total Payments from Operating Activities</b>		<b>9 347</b>	<b>8 870</b>	<b>7 980</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	25	<b>(125)</b>	<b>(236)</b>	<b>280</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from Sale of Property, Plant and Equipment		-	63	-
<b>Total Receipts from Investing Activities</b>		<b>-</b>	<b>63</b>	<b>-</b>
<b>Payments</b>				
Purchase of Intangibles		106	-	-
<b>Total Payment from Investing Activities</b>		<b>106</b>	<b>-</b>	<b>-</b>
<b>Net Cash Inflows/(Outflows) from Investing Activities</b>		<b>(106)</b>	<b>63</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Capital Injection from Government		-	-	264
<b>Total Receipts from Financing Activities</b>		<b>-</b>	<b>-</b>	<b>264</b>
<b>Payments</b>				
Repayment of Finance Leases		-	98	120
<b>Total Payments from Financing Activities</b>		<b>-</b>	<b>98</b>	<b>120</b>
<b>Net Cash Inflows/(Outflows) from Financing Activities</b>		<b>-</b>	<b>(98)</b>	<b>144</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(231)</b>	<b>(271)</b>	<b>424</b>
Cash at the Beginning of the reporting Period		554	425	130
<b>Cash at the End of the Reporting Period</b>	25	<b>323</b>	<b>154</b>	<b>554</b>

This table may not add due to rounding.

The above Cash Flow Statement on Behalf of the Territory should be read in conjunction with the accompanying notes.

## ACT Executive Territorial Statement of Appropriation For the Year Ended 30 June 2016

	Original Budget 2016 \$'000	Total Appropriated 2016 \$'000	Appropriation Drawn 2016 \$'000	Appropriation Drawn 2015 \$'000
<b>Territorial</b>				
Payment for Expenses on Behalf of the Territory	8 528	9 120	9 120	8 223
Capital Injections	-	-	-	264
<b>Total Territorial Appropriation</b>	<b>8 528</b>	<b>9 120</b>	<b>9 120</b>	<b>8 487</b>

The above Territorial Statement of Appropriation should be read in conjunction with the accompanying notes.

### Column Heading Explanations

The *Original Budget* column shows the amounts that appear in the Changes to Appropriation table in the 2015-16 Budget Papers. This amount also appears in the Cash Flow Statement on Behalf of the Territory of the ACT Executive.

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 ACT Executive during the year. This amount appears in the Cash Flow Statement on Behalf of the Territory of the ACT Executive.

The following table and associated footnotes explain the movements between:

- the Original Budget and the Total Appropriated; and
- the Total Appropriated and the Appropriation Drawn.

### Reconciliation of Appropriation Table for 2015-16

	Payment for Expenses on Behalf of the Territory \$'000	Capital Injections \$'000
<b>Original Budget</b>	<b>8 528</b>	-
<i>Changes in Appropriation during 2015-16</i>		
s16 - Transfer of Functions after Appropriation Act Passed <sup>1</sup>	222	-
s18 - Treasurer's Advance <sup>2</sup>	370	-
<i>Total Change in Appropriation during 2015-16</i>	<u>592</u>	-
<b>Total Appropriated</b>	<b>9 120</b>	-
Undrawn Funds <sup>3</sup>	-	-
<b>Total Appropriation Drawn</b>	<b><u>9 120</u></b>	-

### Variances between 'Original Budget' and 'Total Appropriated'

<sup>1</sup> \$0.222 million was transferred from the Office of the Legislative Assembly (OLA) following the appointment of the Seventh Minister in January 2016, and represents costs associated with the transfer of a non-Executive Member's Office.

<sup>2</sup> \$0.370 million of Treasurer's Advance was received for the additional costs required to appoint a Minister and associated staff compared to a non-Executive Member's Office following the appointment of the Seventh Minister in January 2016.

### Variances between 'Total Appropriated' and 'Appropriation Drawn'

<sup>3</sup> There is no variance between the Total Appropriated and Appropriation Drawn for 2015-16.

# ACT Executive Territorial Note Index For the Year Ended 30 June 2016

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# ACT Executive

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 1. OBJECTIVES OF THE ACT EXECUTIVE

##### Operations and Principal Activities

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

#### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

##### a) Basis of Preparation

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

The FMA and the *Financial Management Guidelines* issued under the FMA, requires the ACT Executive's financial statements to include:

- i. a Statement of Income and Expenses on Behalf of the Territory for the year;
- ii. a Statement of Assets and Liabilities on Behalf of the Territory at the end of the year;
- iii. a Statement of Changes in Equity on Behalf of the Territory for the year;
- iv. a Cash Flow Statement on behalf of the Territory for the year;
- v. a Territorial Statement of Appropriation for the year;
- vi. significant accounting policies adopted for the year; and
- vii. such other statements as are necessary to fairly reflect the financial operations of the ACT Executive during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. The financial statements have been prepared in accordance with:

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

As at 30 June 2016, the ACT Executive's current assets are insufficient to meet its current liabilities, and its total assets are insufficient to meet its total liabilities. The Statement of Assets and Liabilities on Behalf of the Territory shows that the ACT Executive's:

- current liabilities of \$1.034 million exceed its current assets of \$0.359 million by \$0.675 million; and
- total liabilities of \$1.034 million exceed its total assets of \$0.511 million by \$0.523 million.

However, this is not considered a liquidity risk as its cash needs are funded through appropriation from the ACT Government on a cash-needs basis. This is consistent with the whole of government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for Community and Heritage assets included in property, plant and equipment, which were valued at fair value in accordance with the re/valuation policies applicable to the ACT Executive during the reporting period, where applicable.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**a) Basis of Preparation - Continued**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using the market approach, the cost approach or the income approach valuation technique as appropriate. In estimating the fair value of an asset or liability, the ACT Executive takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

For disclosure purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the significance of the inputs to the fair value measurement and the extent to which the inputs to the valuation techniques used are observable. 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 ACT Executive 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.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs) that are unobservable for particular assets or liabilities.

These financial statements are presented in Australian dollars, which is the ACT Executive's functional currency.

The ACT Executive is an individual reporting entity.

**b) Territorial Items**

The ACT Executive only produces Territorial financial statements. The Territorial financial statements include income, expenses, assets and liabilities that the ACT Executive administers on behalf of the ACT Government, but does not control.

**c) The Reporting Period**

These financial statements state the financial performance, changes in equity and cash flows of the ACT Executive for the year ended 30 June 2016 together with the financial position of the ACT Executive as at 30 June 2016.

**d) Comparative Figures**

*Budget Figures*

To facilitate a comparison with Budget Papers, as required by the FMA, budget information for 2015-16 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers.

*Prior Year Comparatives*

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

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.

# ACT Executive

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

##### e) Abbreviations

The following abbreviations are used throughout these financial statements.

ACT or the Territory	Australian Capital Territory
CMTEDD	Chief Minister, Treasury and Economic Development Directorate
CSC	Commonwealth Superannuation Corporation
EBA	Enterprise Bargaining Agreement
EBT	Payment for Expenses on Behalf of the Territory (appropriation/funding)
FMA	<i>Financial Management Act 1996</i>
FTE	Full-time Equivalent (staff)
IFRS	International Financial Reporting Standard
JACSD	Justice and Community Safety Directorate
GAAP	Generally Accepted Accounting Principles
GSO	Government Solicitor's Office
MLA	Member of the Legislative Assembly
OLA	Office of the Legislative Assembly
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation Scheme accumulation plan
SPA	Superannuation Provision Account
TBA	Territory Banking Account

##### f) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Statement of Income and Expenses on Behalf of the Territory. In addition, the following specific recognition criteria must also be met before revenue is recognised.

##### *Payment for Expenses on Behalf of the Territory*

The Payment for expenses on behalf of the Territory is recognised as revenue when the ACT Executive gains control over the funding, which occurs upon the receipt of cash.

##### g) Resources Received and Provided Free of Charge

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

##### h) Borrowing Costs

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

##### i) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Statement of Assets and Liabilities on Behalf of the Territory and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or when the ACT Executive does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**j) Cash**

Cash includes cash at bank and cash on hand.

**k) Receivables**

Receivables are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Statement of Income and Expenses on Behalf of the Territory.

The allowance for impairment losses represents the amount of trade receivables and other trade receivables the ACT Executive estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. The ACT Executive considers the following is objective evidence of impairment:

- becoming aware of financial difficulties of debtors;
- default payments; or
- debts more than 90 days overdue.

The amount of the allowance is recognised in the Statement of Income and Expenses on Behalf of the Territory.

The allowance for impairment losses are written off against the allowance account when the ACT Executive ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

**l) Acquisition and Recognition of Property, Plant and Equipment**

Property, plant and equipment is initially recorded at cost.

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

Where 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 \$2,000 is capitalised.

**m) Measurement of Property, Plant and Equipment after Initial Recognition**

Property, plant and equipment assets are valued using the cost or revaluation model of valuation.

Plant and equipment is measured at cost.

Community and heritage assets are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The ACT Executive revalues its community and heritage assets every three years. However, if at any time it is considered 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.

**n) Impairment of Assets**

The ACT Executive assesses at each reporting date whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**n) Impairment of Assets - Continued**

Impairment losses for plant and equipment and community and heritage assets are recognised as an expense in the Statement of Income and Expenses on Behalf of the Territory. The carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's 'fair value less cost of disposal' and its 'value in use'. An asset's 'value in use' is its depreciated replacement cost, where the asset would be replaced if the ACT Executive were deprived of it. Assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

**o) Intangible Assets**

The ACT Executive's intangible assets are externally acquired software for internal use.

Externally acquired software is recognised and capitalised when:

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

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

**p) Depreciation and Amortisation of Non-Current Assets**

Non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued, it is depreciated/amortised over its newly assessed remaining useful life. Amortisation is used in relation to intangible assets, while depreciation is applied to physical assets such as buildings and plant and equipment.

Community and Heritage Assets have an unlimited useful life and are therefore not depreciated.

Plant and Equipment assets are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

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

Depreciation for non-current assets is determined as follows.

<b>Class of Asset</b>	<b>Depreciation/Amortisation Method</b>	<b>Useful Life (Years)</b>
Plant and Equipment	Straight Line	2-20
Community and Heritage Assets	Not depreciated	-
Externally Generated Software	Straight Line	5

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

**q) Payables**

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

Payables include Trade Payables, Accrued Expenses and Other Payables.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**r) Leases**

The ACT Executive had finance leases at the beginning of the 2014-15 reporting period and operating leases at the end of that reporting period. The ACT Executive continues to have operating leases in 2015-16.

*Operating Leases*

Operating leases do not effectively transfer to the ACT Executive substantially all the risks and rewards incidental to ownership of the asset under an operating lease. Operating lease payments are recorded as an expense in the Statement of Income and Expenses on Behalf of the Territory on a straight-line basis over the term of the lease.

*Motor Vehicle Leasing Arrangements 2014-15*

Changes were made to the whole-of-government motor vehicle leasing arrangements with SG Fleet as a result of which all such leases were classified as operating leases rather than finance leases from 23 April 2015. The leased vehicles held as Property, Plant and Equipment (under the previous finance lease arrangement with SG Fleet) were derecognised and the associated loss on the derecognition of the leased vehicle assets reflected under Other Expenses (refer to Note 13, 'Other Expenses'). The corresponding finance lease liability (current and non-current) was also derecognised and the associated gain from the derecognition of the liability reflected under Other Gains (refer to Note 6, 'Other Gains').

**s) Employee Benefits**

Employee benefits include:

- short-term employee benefits such as wages and salaries, annual leave loading, and applicable on-costs, if they are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.

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

*Wages and Salaries*

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

*Annual and Long Service Leave*

Annual and long service leave including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. 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 services 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. In 2015-16 the rate used to estimate the present value of future annual leave payments is 101.4% (101.0% in 2014-15).

In 2015-16, the rate used to estimate the present value of future payments for long service leave is 114.7% (104.2% in 2014-15).

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**s) Employee Benefits - Continued**

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 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.

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

Annual leave and long service leave liabilities are classified as current liabilities in the Statement of Assets and Liabilities on Behalf of the Territory 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 ACT Executive has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

For ACT Public Sector employees who commence employment with the ACT Executive, they are required to take leave without pay from their home directorate. During their employment with the ACT Executive, they continue to accrue years of service, but their annual leave and long service leave balances are frozen in their home directorate.

At the commencement of their employment with the ACT Executive, employees may elect to receive an annual allowance equivalent of 2.5% of their salary in lieu of accruing long service leave. This election is usually taken by employees of ACT Executive who do not have a position to return to in the ACT Public Sector. For employees who will return to their home directorate at the end of their contract with the ACT Executive, the employee normally elects to accrue the long service leave and not receive the 2.5% annual allowance.

Once an employee's contract ends with the ACT Executive, their accrued annual leave is paid out. For employees returning to their home directorate, their leave balances are unfrozen and the years of service with the ACT Executive is added to the years already accrued with their home directorate.

**t) Superannuation**

The ACT Executive receives funding for superannuation payments as part of the Expenses on Behalf of the Territory (EBT) appropriation. The ACT Executive then makes superannuation payments on a fortnightly basis to the Territory Banking Account (TBA) to cover the ACT Executive's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS contribution, but does not include the productivity component. The productivity component is paid directly to the Commonwealth Superannuation Corporation (CSC) by the ACT Executive. The CSS and PSS are defined benefit superannuation schemes, meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of either the Public Sector Superannuation accumulation plan (PSSap) or schemes of employee choice.

Superannuation liabilities are not recognised at an individual level. The total Territory superannuation liability is recognised by:

- the Superannuation Provision Account (SPA) for CSS and PSS liabilities;
- the CSC for the productivity component and PSSap liabilities; and
- external schemes for liabilities associated with fund of choice arrangements.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**t) Superannuation - Continued**

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS in respect of their service provided to the ACT Government after 1 July 1989. These reimbursement payments are made from the SPA.

*Members of the Legislative Assembly*

There are two superannuation arrangements for Members of the Legislative Assembly (MLAs).

Members who were elected before the 2008 general election and have a relevant period of service, and no discontinuance, are members of a defined benefit superannuation arrangement (DB Scheme), prescribed under the *Legislative Assembly (Members' Superannuation) Act 1991*. This DB Scheme operates in the same manner to the PSS and CSS mentioned above.

Those Members elected at or after the 2008 general election, and who were not an existing member of the DB Scheme prior to the election, assume membership of a fund of choice accumulation scheme. The Territory is required to contribute the equivalent of 14% of the Member's eligible salary. The ACT Government will contribute an additional 1% for Members who contribute 3% or more of their salary to the fund. Other than the contribution rate, the Members' fund of choice arrangement operates in the same manner as the fund of choice arrangements mentioned above.

**u) Insurance**

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

**v) Budgetary Reporting - Explanations of Major Variances between Actual Amounts and Original Budget Amounts**

Explanation of major variance between the 2015-16 original budget and the 30 June 2016 actual results are discussed in Note 27, 'Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts'.

The definition of "major variance" is provided in Note 2(w), 'Significant Accounting Judgement and Estimates: Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts'.

Original budget refers to the original budgeted financial statements presented to the Legislative Assembly in a form that is consistent with the agency's annual financial statements. The 2015-16 budget numbers have not been audited.

Budget reporting is disclosed for the territorial financial statements with the exception of Statement of Change in Equity as relevant line items are included in other financial statements.

**w) Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, the ACT Executive has made the following judgements and estimates, which have had a significant impact on the amounts recorded in the financial statements:

- i. *Employee Benefits:* Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wages and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**w) Significant Accounting Judgements and Estimates - Continued**

**i. Employee Benefits - Continued**

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019.

**ii. Budgetary Reporting - Explanation of Major Variances between Actual Amounts and Original Budget Amounts:** Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Note 27, 'Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts'. Variances are considered to be major variances if both of the following criteria are met:

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

Further information on this is provided in Note 2(v), 'Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts'.

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

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

- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 and 1049] (application date 1 July 2016).

This standard extends the scope of AASB 124, 'Related Party Transactions', to the not-for-profit sector and updates AASB 124 to include implementation guidance (including illustrative examples) to assist not-for-profit entities to apply the new requirements. While there is no material financial impact in implementing this standard there will be increased disclosure required by the ACT Executive.

**y) Accounting Standards Adopted Early for the 2015-16 Reporting Period**

The following accounting standard has been early adopted for the 2015-16 reporting period, even though the standard is not required to be applied until after the completion of the reporting period.

- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 and AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-For-Profit Public Sector Entities (application date 1 July 2016).

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**y) Accounting Standards Adopted Early for the 2015-16 Reporting Period - Continued**

AASB 2015-2 amends AASB 101, 'Presentation of Financial Statements', including clarifying that agencies should not be disclosing immaterial information and that the presentation of information in notes can and should be tailored to provide users with the clearest view of an agency's financial performance and financial position. AASB 2015-7 amends AASB 13, 'Fair Value Measurement', to provide disclosure relief to not-for-profit public sector agencies from certain disclosures about the fair value measurements of property, plant and equipment held for their current service potential rather than to generate net cash inflows. This includes relief from disclosures of quantitative information about the significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs.

**NOTE 3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES AND CORRECTION OF ERRORS**

**a) Change in Accounting Policy**

The ACT Executive had no changes in accounting policy during the reporting period.

**b) Change in Accounting Estimates**

The ACT Executive had no change in accounting estimates during the reporting period.

**c) Correction of Prior Period Errors**

The ACT Executive had no correction of prior period errors during the reporting period.

# ACT Executive

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 4. PAYMENT FOR EXPENSES ON BEHALF OF THE TERRITORY

Under the *Financial Management Act 1996* (FMA), funds can be appropriated for expenses incurred on behalf of the Territory. The ACT Executive receives appropriation to fund a number of expenses incurred on behalf of the Territory; the main one being the payment of employee related expenses. The ACT Executive incurs these expenses in the provision of executive services and information to enable Ministers and their staff to undertake their duties effectively and efficiently.

	2016 \$'000	2015 \$'000
Payment for Expenses on Behalf of the Territory	9 120	8 223
<b>Total Payment for Expenses on Behalf of the Territory <sup>1</sup></b>	<b>9 120</b>	<b>8 223</b>

<sup>1</sup> The increase in appropriation drawn is largely due to additional funding, and a transfer of funding from the Office of the Legislative Assembly (OLA), to support the appointment of the Seventh Minister, Remuneration Tribunal Outcomes and an increase in wages for ministerial staff as a result of the 2013-17 Enterprise Bargaining Agreement (EBA).

#### NOTE 5. RESOURCES RECEIVED FREE OF CHARGE

##### Revenue from ACT Government Entities

Corporate and Accounting Services from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) <sup>1</sup>	38	30
Rent, Building Maintenance and Other Services Provided by the Office of the Legislative Assembly (OLA) <sup>1,2</sup>	1 023	882
Legal Services Provided by the Justice and Community Safety Directorate (JACSD) <sup>3</sup>	274	345
<b>Total Resources Received Free of Charge</b>	<b>1 335</b>	<b>1 257</b>

<sup>1</sup> These increases mainly reflect the appointment of the Seventh Minister in January 2016.

<sup>2</sup> The 2014-15 figure has also been amended to include the cost of rent received free of charge from the Office of the Legislative Assembly (OLA), which was not previously reported (\$708,372). The increase in 2015-16 results from the use of a larger area of the Legislative Assembly building following the appointment of the Seventh Minister and associated staff.

<sup>3</sup> The decrease in legal services provided by JACSD reflects a general decrease in the use of the Government Solicitor's Office (GSO) for a range of services provided during the year.

# ACT Executive

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 6. OTHER GAINS

Other gains are transactions that are not part of the ACT Executive's core activities.

	2016 \$'000	2015 \$'000
Gains Arising from Derecognition of Liabilities <sup>1</sup>	-	47
<b>Total Other Gains</b>	<b>-</b>	<b>47</b>

<sup>1</sup> The 2014-15 figure reflects the transfer of all vehicle finance leases to operating leases on 23 April 2015, due to changes to whole of government vehicle leasing arrangements with SG Fleet from that date. The gross gain on the derecognition of the finance lease liability was \$0.047 million and the gross loss on the derecognition of the leased vehicles was \$0.047 million (refer Note 13, 'Other Expenses'), reflecting a net loss of \$266.00 due to the transfer.

#### NOTE 7. EMPLOYEE EXPENSES

Salaries and Wages <sup>1</sup>	6 738	6 018
Annual Leave Expenses <sup>1</sup>	303	209
Long Service Leave Expenses <sup>1</sup>	53	(42)
Termination Expenses <sup>2</sup>	-	99
Other Employee Benefits and On-Costs <sup>3</sup>	74	141
<b>Total Employee Expenses</b>	<b>7 168</b>	<b>6 425</b>

<sup>1</sup> These increases reflect the appointment of the Seventh Minister and associated staff, and the impact of an increase in wages for ministerial staff as a result of the 2013-17 Enterprise Bargaining Agreement (EBA).

<sup>2</sup> The 2014-15 termination payments were due to changes in staffing arrangements following the resignation of the former Chief Minister.

<sup>3</sup> This decrease results from a reduction in Fringe Benefit Tax paid for novated motor vehicles.

#### NOTE 8. SUPERANNUATION EXPENSES

Members' Superannuation <sup>1</sup>	130	147
Superannuation Contributions to the Territory Banking Account <sup>2</sup>	245	217
Productivity Benefit <sup>2</sup>	31	27
Superannuation to External Providers <sup>2</sup>	515	412
<b>Total Superannuation Expenses</b>	<b>921</b>	<b>803</b>

<sup>1</sup> The decrease reflects the full year impact of the departure of the former Chief Minister during 2014-15, which resulted in a reduction of the number of ministers who are members of the Members' Superannuation fund.

<sup>2</sup> The increases are due to the appointment of the Seventh Minister and associated staff.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 9. SUPPLIES AND SERVICES**

	2016 \$'000	2015 \$'000
Audit Services (refer Note 14, 'Auditor's Remuneration')	25	20
Consultants	1	5
Furniture and Fittings	-	26
Hospitality <sup>1</sup>	36	42
Insurance Premium	18	14
Information Technology (IT) Modernisation, Licensing and Support <sup>2</sup>	439	347
Office Supplies <sup>2</sup>	113	103
Parking <sup>3</sup>	76	93
Payroll and Payslip Services	6	7
Repairs and Maintenance	-	8
Resources Received Free of Charge (refer Note 5, 'Resource Receive Free of Charge'):		
- Corporate and Accounting Services	38	30
- Rent <sup>4</sup>	824	708
- Building Maintenance and Other Services <sup>2</sup>	199	174
- Legal Services <sup>5</sup>	274	344
Staff Related Expenses <sup>6</sup>	28	48
Travel <sup>7</sup>	353	184
Vehicle Expenses <sup>8</sup>	14	39
Other	10	23
<b>Total Supplies and Services</b>	<b>2 454</b>	<b>2 215</b>

<sup>1</sup> The decrease in Hospitality is due to a reduction in functions hosted by the Chief Minister.

<sup>2</sup> These increases are associated with the appointment of the Seventh Minister and the transfer of associated staff.

<sup>3</sup> This decrease relates to a reduction in parking fees charged for use of the Nara Centre car park.

<sup>4</sup> The 2014-15 figure was amended to include the cost of rent received free of charge from the Office of the Legislative Assembly (OLA), which was not previously reported. The increase in 2015-16 results from the use of a larger area of the Legislative Assembly building following the appointment of the Seventh Minister.

<sup>5</sup> The decrease in Legal Services reflects a general decrease in the use of services from the Government Solicitor's Office (GSO) during the year.

<sup>6</sup> This decrease is largely due to decreased staff training cost.

<sup>7</sup> The increase for this reporting period is mainly due to an increased participation in international Trade Missions.

<sup>8</sup> This decrease reflects a reduction in the use of government funded vehicles due to changes in the remuneration arrangements for ministers as a result of the Remuneration Tribunal Outcomes in April 2014.

**NOTE 10. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS**

There were no waivers, impairment losses and write-offs for the ACT Executive in 2015-16 (nil in 2014-15).

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 11. DEPRECIATION AND AMORTISATION**

	2016 \$'000	2015 \$'000
<b>Depreciation</b>		
Plant and Equipment	2	2
Motor Vehicles <sup>1</sup>	-	27
<b>Total Depreciation</b>	<b>2</b>	<b>29</b>
<b>Amortisation</b>		
Externally Generated Software <sup>2</sup>	7	-
<b>Total Amortisation</b>	<b>7</b>	<b>-</b>
<b>Total Depreciation and Amortisation</b>	<b>9</b>	<b>29</b>

<sup>1</sup> This decrease reflects the transfer of vehicle finance leases to operating leases on 23 April 2015, reflecting changes to whole of government vehicle leasing arrangements with SG Fleet from that date. There is no depreciation associated with operating leases.

<sup>2</sup> The increase results from amortisation of a newly installed Mobile X Diary Management System.

**NOTE 12. BORROWING COSTS**

Finance Charges on Finance Leases <sup>1</sup>	-	7
<b>Total Borrowing Costs</b>	<b>-</b>	<b>7</b>

<sup>1</sup> This decrease results from the discontinuation of motor vehicle finance leases from 23 April 2015.

**NOTE 13. OTHER EXPENSES**

Losses on Sale of Motor Vehicles <sup>1</sup>	-	8
Losses on Derecognition of Motor Vehicles under Finance Leases <sup>2</sup>	-	47
<b>Total Other Expenses</b>	<b>-</b>	<b>55</b>

<sup>1</sup> This decrease results from the discontinuation of motor vehicle finance leases from 23 April 2015. Also refer to footnote 2 below.

<sup>2</sup> The 2014-15 figure reflects the transfer of all vehicle finance leases to operating leases on 23 April 2015, due to changes to whole of government vehicle leasing arrangements with SG Fleet from that date. The gross gain on the derecognition of the finance lease liability was \$0.047 million and the gross loss on the derecognition of the leased vehicles was \$0.047 million (refer Note 6, 'Other Gains'), reflecting a net loss of \$266.00 due to the transfer.

**NOTE 14. AUDITOR'S REMUNERATION**

Auditor's remuneration consists of financial audit services provided to the ACT Executive by the ACT Audit Office. No other services were provided by the ACT Audit Office.

<b>Audit Services</b>		
Audit Fees Paid or Payable to the ACT Audit Office	25	20
<b>Total Fees Paid to the ACT Audit Office</b>	<b>25</b>	<b>20</b>

# ACT Executive

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 15. CASH

The ACT Executive holds one bank account with the Westpac Banking Corporation as part of the whole of government banking arrangements. As part of these arrangements, the ACT Executive does not receive any interest on this account.

	2016 \$'000	2015 \$'000
Cash at Bank	322	553
Cash on Hand	1	1
<b>Total Cash <sup>1</sup></b>	<b>323</b>	<b>554</b>

<sup>1</sup> This decrease is mainly due to the timing difference between the when cash was drawn down in 2014-15 and the payment of an additional pay period was made in 2015-16.

#### NOTE 16. RECEIVABLES

##### Current Receivables

Other Current Receivables <sup>1</sup>	-	36
Net GST Receivable from the Australian Taxation Office	36	40
<b>Total Current Receivables</b>	<b>36</b>	<b>76</b>
<b>Total Receivables</b>	<b>36</b>	<b>76</b>

##### Ageing of Receivables

	Not Overdue \$'000	Past Due			Total \$'000
		Less than 30 Days \$'000	30 to 60 Days \$'000	Greater than 60 Days \$'000	
<b>2016</b>					
<b>Not Impaired <sup>a</sup></b>					
Receivables	36	-	-	-	36
<b>2015</b>					
<b>Not Impaired <sup>a</sup></b>					
Receivables	76	-	-	-	76

<sup>a</sup> 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables).

	2016 \$'000	2015 \$'000
<b>Classification of ACT Government/Non-ACT Government Receivables</b>		
<b>Receivables from ACT Government Entities</b>		
Net Other Receivables	-	36
<b>Total Receivables from ACT Government Entities <sup>1</sup></b>	<b>-</b>	<b>36</b>
<b>Receivables from Non-ACT Government Entities</b>		
Net GST Receivable	36	40
<b>Total Receivables from Non-ACT Government Entities</b>	<b>36</b>	<b>40</b>
<b>Total Receivables</b>	<b>36</b>	<b>76</b>

<sup>1</sup> This decrease relates to the one-off recovery of expenditure from the Office of the Legislative Assembly (OLA) for costs paid on their behalf in 2014-15 relating to the appointment of the Sixth Minister.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 17. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment includes the following classes of assets - plant and equipment, and community and heritage assets. Property, plant and equipment excludes assets held for sale and investment property.

- *Plant and Equipment*: includes furniture, fittings and office equipment.
- *Community and Heritage Assets*: are those non-current assets that the ACT Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or for redeployment. Heritage assets held by the ACT Executive consists solely of paintings and a *Kimono*.

	2016 \$'000	2015 \$'000
<b>Plant and Equipment</b>		
Plant and Equipment at Cost	33	33
Less: Accumulated Depreciation	(21)	(19)
<b>Total Written Down Value of Plant and Equipment</b>	<b>12</b>	<b>14</b>
<b>Community and Heritage Assets</b>		
Community and Heritage Assets at Fair Value	41	41
<b>Total Written Down Value of Community and Heritage Assets</b>	<b>41</b>	<b>41</b>
<b>Total Written Down Value of Property, Plant and Equipment</b>	<b>53</b>	<b>55</b>

**Assets Under a Finance Lease**

The ACT Executive has no Assets Under a Finance Lease.

**Valuation of Non-Current Assets**

Independent valuers perform revaluations on the ACT Executive's physical assets on a 3 year rolling basis. The latest valuations were undertaken by Independent Accredited Art Valuer, Helen Maxwell in July 2014 on the ACT Executive's works of art and in June 2016 on the *Kimono*. There was no change in written down values as a result of the 2016 revaluation.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 17. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2015-16.

	Plant and Equipment \$'000	Community and Heritage Assets \$'000	Total \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>14</b>	<b>41</b>	<b>55</b>
Depreciation	(2)	-	(2)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>12</b>	<b>41</b>	<b>53</b>

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2014-15.

<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>167</b>	<b>46</b>	<b>213</b>
Disposal / Transfer	(70)	-	(70)
Depreciation Write Back for Disposals	58	-	58
Revaluation	-	(5)	(5)
Depreciation	(29)	-	(29)
Other Movements <sup>1</sup>	(112)	-	(112)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>14</b>	<b>41</b>	<b>55</b>

<sup>1</sup> This decrease reflects the transfer of vehicle finance leases to operating leases on 23 April 2015, reflecting changes to whole of government vehicle leasing arrangements with SG Fleet from that date. As a result of this change, the ACT Executive no longer holds vehicle related assets.

# ACT Executive

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 17. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

##### Fair Value Hierarchy

The ACT Executive is required to classify property, plant and equipment into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. Refer to Note 2(a), 'Significant Accounting Policies: Basis of Accounting', for more information.

Details of the ACT Executive's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June 2016 are as follows.

Classification According to Fair Value Hierarchy 2016				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Property, Plant and Equipment at Fair Value</b>				
Heritage and Community Assets	-	41	-	41
	-	<b>41</b>	-	<b>41</b>

Details of the ACT Executive's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June 2015 are as follows.

Classification According to Fair Value Hierarchy 2015				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Property, Plant and Equipment at Fair Value</b>				
Heritage and Community Assets	-	41	-	41
	-	<b>41</b>	-	<b>41</b>

##### Transfers between Categories

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.

There have been no transfers between Levels 1, 2 and 3 during the current and previous reporting period.

##### Valuation Techniques, Inputs and processes

##### *Level 2 Valuation Techniques and Inputs*

Valuation Technique: Community and Heritage Assets are valued using the market approach.

Inputs: In determining the value of Community and Heritage Assets the fair value is determined using a market price where there is a market for the same or a similar item.

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

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 18. INTANGIBLE ASSETS**

	2016 \$'000	2015 \$'000
<b>Externally Generated Software</b>		
Computer Software at Cost <sup>1</sup>	106	-
Less: Accumulated Amortisation	(7)	-
<b>Total Externally Generated Software</b>	<u>99</u>	<u>-</u>
<b>Total Intangible Assets</b>	<u>99</u>	<u>-</u>

**Reconciliation of Intangible Assets**

The following table shows the movement of intangibles during 2015-16.

	Externally Generated Software \$'000	Total \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	-	-
Additions <sup>1</sup>	106	106
Amortisation	(7)	(7)
<b>Carrying Amount at the End of the Reporting Period</b>	<u>99</u>	<u>99</u>

<sup>1</sup> This increase results from the installation of a new Mobile X Diary Management System during 2015-16.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 19. PAYABLES**

	2016 \$'000	2015 \$'000
<b>Current Payables</b>		
Accrued Expenses	145	173
<b>Total Current Payables <sup>1</sup></b>	<b>145</b>	<b>173</b>
<b>Total Payables</b>	<b>145</b>	<b>173</b>
<b>Payables are aged as follows:</b>		
Not Overdue	145	173
<b>Total Payables</b>	<b>145</b>	<b>173</b>
<b>Classification of ACT Government/Non-ACT Government Payables</b>		
<b>Payables with ACT Government Entities</b>		
Accrued Expenses	139	117
<b>Total Payables with ACT Government Entities</b>	<b>139</b>	<b>117</b>
<b>Payables with Non-ACT Government Entities</b>		
Accrued Expenses	6	56
<b>Total Payables with Non-ACT Government Entities</b>	<b>6</b>	<b>56</b>
<b>Total Payables</b>	<b>145</b>	<b>173</b>

<sup>1</sup> This decrease mainly reflects the timing of accounts being processed for payment towards the end of the financial year.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 20. EMPLOYEE BENEFITS**

	2016 \$'000	2015 \$'000
<b>Current Employee Benefits</b>		
Accrued Salaries and Wages <sup>1</sup>	48	248
Accrued Superannuation <sup>1</sup>	4	29
Annual Leave <sup>2</sup>	696	521
Long Service Leave <sup>2,3</sup>	115	104
Other Benefits	26	34
<b>Total Current Employee Benefits</b>	<b>889</b>	<b>936</b>
<b>Total Employee Benefits</b>	<b>889</b>	<b>936</b>
<b>Estimate of when Leave is Payable</b>		
<b>Estimated Amount Payable within 12 months</b>		
Annual Leave	696	245
Long Service Leave	115	10
Accrued Salaries and Wages	48	248
Accrued Superannuation	4	29
Other Benefits	26	34
<b>Total Employee Benefits Payable within 12 months</b>	<b>889</b>	<b>566</b>
<b>Estimated Amount Payable after 12 months</b>		
Long Service Leave <sup>4</sup>	-	94
Annual Leave <sup>4</sup>	-	276
<b>Total Employee Benefits Payable after 12 months</b>	<b>-</b>	<b>370</b>
<b>Total Employee Benefits</b>	<b>889</b>	<b>936</b>

At the end of the 2015-16 financial year, the ACT Executive had 53.7 full-time equivalent (FTE) staff employed (46.8 FTE staff employed at the end of the 2014-15 financial year). The increase in FTEs largely reflects the appointment of the Seventh Minister and associated staff.

<sup>1</sup> These decreases mainly reflect the timing difference between cash drawn down in 2014-15 and the payment of an additional pay period in 2015-16.

<sup>2</sup> These increases are mainly due to the appointment of the Seventh Minister and associated staff.

<sup>3</sup> This increase also reflects the increase in the rate used to estimate the value of future long service leave from 104.2% to 114.7%.

<sup>4</sup> These decreases result from the expected payout of staff employee entitlements in the lead up to the election.

**NOTE 21. EQUITY**

**Asset Revaluation Surplus**

The Asset Revaluation Surplus is used to record the increments and decrements in the value of property, plant and equipment.

<b>Balance at the Beginning of the Reporting Period</b>	-	5
Decrement in Community and Heritage Assets due to Revaluation	-	(5)
<b>Total Increase/(Decrease) in the Asset Revaluation Surplus</b>	<b>-</b>	<b>(5)</b>
<b>Balance at the End of the Reporting Period</b>	<b>-</b>	<b>-</b>

# ACT Executive

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 22. FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2, 'Significant Accounting Policies'.

##### 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 ACT Executive has no exposure to interest rate risk because cash is held in non-interest bearing accounts. Accordingly, a sensitivity analysis has not been undertaken.

##### 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 ACT Executive's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment loss. The ACT Executive expects to collect all financial assets that are not past due or impaired. There have been no changes in credit risk exposure since the previous reporting period. As cash is held at bank and there are no material receivables, there is no significant credit risk that has been identified by the ACT Executive for Territorial financial assets.

##### Liquidity Risk

Liquidity risk is the risk that the ACT Executive will be unable to meet its financial obligations as they fall due. The ACT Executive's main financial obligations relate to the purchase of supplies and services. Purchases of supplies and services are paid within 30 days of receiving the goods or services. The main source of cash to pay these obligations is appropriation from the ACT Government which is paid on a fortnightly basis during the year. The ACT Executive manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of anticipated obligations.

##### 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 (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The only financial asset held by the ACT Executive is cash, and as a result, it is not considered to have any price risk. Accordingly, a sensitivity analysis has not been undertaken.

##### Fair Value of Financial Assets and Liabilities

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

		Carrying Amount	Fair Value Amount	Carrying Amount	Fair Value Amount
	Note	2016	2016	2015	2015
	No.	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash	15	323	323	554	554
<b>Total Financial Assets</b>		<b>323</b>	<b>323</b>	<b>554</b>	<b>554</b>

# ACT Executive

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 22. FINANCIAL INSTRUMENTS - CONTINUED

##### Fair Value of Financial Assets and Liabilities - Continued

The following tables set out the ACT Executive's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2015 and 30 June 2016. Except for non-current payables, financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note	Weighted Average Interest Rate	Floating Interest \$'000	Fixed Interest Maturing In:			Non- Bearing \$'000	Total \$'000
	No.			1 Year or Less \$'000	Over 1 to 5 Years \$'000	Over 5 Years \$'000		
<b>2016</b>								
<b>Financial Assets</b>								
Cash	15		-	-	-	-	323	323
<b>Total Financial Assets</b>			-	-	-	-	323	323
<b>Net Financial Assets/ (Liabilities)</b>			-	-	-	-	323	323
<b>2015</b>								
<b>Financial Assets</b>								
Cash	15		-	-	-	-	554	554
<b>Total Financial Assets</b>			-	-	-	-	554	554
<b>Net Financial Assets/ (Liabilities)</b>			-	-	-	-	554	554

#### NOTE 23. COMMITMENTS

##### Operating Lease Commitments

The ACT Executive's operating lease commitments mainly relate to software licences, ICT equipments including support and maintenance. The ACT Executive had 2 non-cancellable operating leases for motor vehicles as at 30 June 2016. These leases were reclassified from finance leases to operating leases on 23 April 2015 due to a change in the whole of government vehicle leasing arrangements with SG Fleet, and have since ended.

Non-cancellable operating lease commitments are payable as follows: As at 30 June 2016,

	2016 \$'000	2015 \$'000
Within One Year	48	38
Later than one year but not later than five years	102	21
<b>Total Operating Lease Commitments <sup>1</sup></b>	<b>150</b>	<b>59</b>

<sup>1</sup> This increase reflects the renewal of a range of ICT equipment leases.

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**Contingent Assets**

There were no contingent assets as at 30 June 2016 (nil at 30 June 2015).

**Contingent Liabilities**

Contingent liabilities represent the estimated value of possible legal claims for damages and or costs.

	2016 \$'000	2015 \$'000
Claim for damages/costs	550	550
<b>Net Contingent Liabilities</b>	<b>550</b>	<b>550</b>

**NOTE 25. CASH FLOW RECONCILIATION**

**(a) Reconciliation of Cash at the End of the Reporting Period in the Cash Flow Statement on Behalf of the Territory to Equivalent Items in the Statement of Assets and Liabilities on Behalf of the Territory**

Total Cash Recorded on the Statement of Assets and Liabilities on Behalf of the Territory	323	554
<b>Cash at the End of the Reporting Period as Recorded in the Cash Flow Statement on Behalf of the Territory</b>	<b>323</b>	<b>554</b>

**(b) Reconciliation of Net Cash Inflows/(Outflows) from Operating Activities to the Operating Surplus/(Deficit)**

Operating Surplus/(Deficit)	(97)	(7)
<b>Add/(Less) Non-Cash Items</b>		
Depreciation	9	29
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>(88)</b>	<b>22</b>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase)/Decrease in Receivables	37	(30)
(Increase)/Decrease in Other Assets	-	93
Increase/(Decrease) in Payables	10	79
Increase/(Decrease) in Employee Benefits	(85)	116
<b>Net Changes in Operating Assets and Liabilities</b>	<b>(38)</b>	<b>258</b>
<b>Net Cashflows from Operating Activities</b>	<b>(126)</b>	<b>280</b>

**NOTE 26. EVENTS OCCURRING AFTER BALANCE DATE**

There were no events occurring after balance date that would have a material impact on amounts included in the 2015-16 or future financial statements.

# ACT Executive

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 27. BUDGETARY REPORTING - EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS

The following are brief explanations of major line item variances between the 2015-16 Budget (as published in the 2015-16 Budget Statements) and the 2015-16 actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met.

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

	Actual 2015-16 \$'000	Original Budget 2015-16 \$'000	Variance \$'000	Variance %
<b>Operating Statement Line Items</b>				
<b>Revenue</b>				
Resources Received Free of Charge	1 335	199	1 136	570.9
This increase mainly reflects additional services received free of charge from the Government Solicitor's Office (GSO), Justice and Community Safety Directorate (JACSD) during the year, and the first time recognition of rent received free of charge from the Office of the Legislative Assembly (OLA).				
<b>Expenses</b>				
Supplies and Services	2 454	1 353	1 101	81.4
This increase is largely due to services received free of charge from the GSO, JACSD during the year, and the first time recognition of rent received free of charge from the Office of the Legislative Assembly (OLA).				
<b>Balance Sheet Line Items</b>				
<b>Assets</b>				
Cash and Cash Equivalents	323	154	169	109.7
This increase reflects the timing of cashflows during the year.				
Property, Plant and Equipment	53	153	(100)	(65.4)
This decrease is due to a change in whole of government vehicle leasing arrangements, which resulted in all vehicle leases held with SG Fleet being reclassified as operating leases on 23 April 2015.				
Intangible Assets	99	-	99	>999.9
This increase reflects the purchase of a Mobile X Diary Management System.				
<b>Liabilities</b>				
Payables	145	374	(229)	(61.2)
This decrease reflects the timing of payments made towards the end of the financial year compared to budget.				
Employee Benefits (Current and Non-Current)	889	598	291	48.7
This increase is largely associated with the appointment of the Seventh Minister and the associated staff in January 2016.				

**ACT Executive**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 27. BUDGETARY REPORTING - EXPLANATIONS OF MAJOR VARIANCES BETWEEN  
ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS - CONTINUED**

	Actual 2015-16 \$'000	Original Budget 2015-16 \$'000	Variance \$'000	Variance %
<b>Cash Flow Statement Line Items</b>				
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from Sale of Property, Plant and Equipment	-	63	(63)	(100.00)
This decrease is due to a change in whole of government vehicle leasing arrangements, which resulted in all vehicle leases held with SG Fleet being reclassified as operating leases on 23 April 2015, the impact of which was not included in the Original Budget.				
<b>Payments</b>				
Purchase of Intangibles	106	-	106	>999.9
This increase reflects the purchase of a Mobile X Diary Management System.				
<b>Cash Flows from Financing Activities</b>				
<b>Payments</b>				
Repayment of Finance Leases	-	98	(98)	(100.00)
This decrease is due to a change in whole of government vehicle leasing arrangements, which resulted in all vehicle leases held with SG Fleet being reclassified as operating leases on 23 April 2015, the impact of which was not included in the Original Budget.				

# **Financial Statements**

**For the Year Ended**

**30 June 2016**

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



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## Management Discussion and Analysis

### Chief Minister, Treasury and Economic Development Directorate for the Financial Year Ended 30 June 2016

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#### General Overview

The Directorate provides strategic financial and economic policy advice to the ACT Government with the aim of improving the Territory's financial position and economic management.

The Directorate plays a lead role in promoting accountability and transparency in the delivery of services to the community. This is achieved through sound financial policies, management practices and analysis.

As a key central agency of the ACT Government, the Directorate provides strategic advice to the ACT Government on policy development, service delivery and whole of government issues.

During 2015-16, the Directorate's objectives and principal activities included:

- building coordinated and integrated policy development and service delivery across government;
- supporting informed decision making by government;
- maintaining the right workforce;
- improving satisfaction with community engagement;
- managing the Territory's finances appropriately;
- maintaining a strong balance sheet;
- achieving value for money;
- improving the customer satisfaction and service;
- reducing red tape and improving effective regulation;
- achieving higher than national average participation in sport and physical recreation;
- growing the value of Tourism;
- growing innovation, trade and investment;
- coordinating effective regulation and enforcement; and
- managing the delivery of the Loose-Fill Asbestos Insulation Eradication Scheme.

#### Risk Management

The Directorate identifies and manages risk at the Strategic and Divisional levels. The CMTEDD Risk Management Framework and Risk Management Plan is based on the Australia/New Zealand 31000:2009 Risk Management standard and utilises the ACT Government Risk Matrix. The CMTEDD Audit and Risk Committee has oversight of risk management within the Directorate.

Further information on the Directorate's risk management can be found in Volume 1 of the Annual Report.

#### Changes in Administrative Structure

##### Administrative Restructuring During 2015-16

*Administrative Arrangements 2016 (No 1)* (Notifiable Instrument NI2016-41) (AA) came into effect on 22 January 2016, which transferred responsibility for the Arboretum from the Territory and Municipal Services Directorate (TAMSD) and Vocation Education and Training (VET) from the then Education and Training Directorate (ETD) to CMTEDD. This AA impacted the operations of CMTEDD and its financial results and position reported for 2015-16.

## Administrative Restructuring During 2014-15

During 2014-15, in addition to the Directorate changing its name from the Chief Minister and Treasury Directorate (CMTD) to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD), the following Administrative Arrangements (AAs) and other transfers significantly impacted the operations of CMTEDD and its financial results and position reported for 2014-15.

- i. *Administrative Arrangements 2014 (No 1)* (Notifiable Instrument NI2014-310) came into effect on 7 July 2014. The Economic Development Directorate (EDD) and Commerce and Works Directorate (CWD) were transferred to CMTEDD, along with Community Facilities and artsACT from the Community Services Directorate (CSD) and ACT Property Group from the Territory and Municipal Services Directorate (TAMSD). These transfers have a minimal impact on the variations between the reported 2014-15 and 2015-16 Actual figures in most cases. Where there is a significant impact, this is mentioned in the related note in the accompanying financial statements.
- ii. *Administrative Arrangements 2014 (No 2)* (Notifiable Instrument NI2014-654) came into effect on 15 December 2014, which resulted in the transfer of functions from the Health Directorate (HD), the Justice and Community Safety Directorate (JACSD), TAMSD and the Environment and Planning Directorate (EPD) to CMTEDD to enable the establishment of Access Canberra.
- iii. The functions of the former Exhibition Park Corporation were also transferred to CMTEDD on 1 January 2015, following the repeal of the *Exhibition Park Corporation Act 1976*.
- iv. Other transfers include:
  - childcare centres being transferred from the then Education and Training Directorate (ETD), effective from 1 February 2015; and
  - the responsibility for administering outstanding home loans being transferred from the Home Loan Portfolio (HLP) to CMTEDD, effective from 30 June 2015, following the winding up of HLP.

The financial impact of the above AAs and other transfers is reflected in the notes to the accompanying financial statements where applicable.

## Directorate Financial Performance

The following information is based on the Directorate's audited Annual Financial Statements for 2014-15 and 2015-16, the 2015-16 Budget published in the 2015-16 Budget Statements and the forward estimates contained in the 2016-17 Budget Statements.

The 2015-16 Annual Financial Statements accompanying this Management Discussion and Analysis (MD&A) uses the original budget as published in the 2015-16 Budget Papers for comparative purposes, whereas the following analysis of the Directorate's financial performance is based on the 2015-16 Total Funding, which includes the Original Budget and financial impacts associated with supplementary appropriation and AAs that may have impacted the Directorate during the year, where relevant.

The following table provides information on changes between the 2015-16 Original Budget and 2015-16 Total Funding, and variances between the 2015-16 Total Funding and the 2015-16 actual results.

**Table 1: 2015-16 Operating Statement, Net Cost of Services and Net Assets/(Liabilities) Movements between Original Budget, Amended Budget, Total Funding, and Actual Results**

Description	Original Budget 2015-16 \$m	Amended Budget <sup>1</sup> 2015-16 \$m	Plus AA Transfers <sup>2</sup> 2015-16 \$m	Total Funding 2015-16 \$m	Actual 2015-16 \$m	Variance Including Transfers	
						\$m	%
<b>Income</b>							
Government Payments for Outputs	411.7	411.7	27.7	439.4	410.8	(28.6)	-6.5%
<b>Own Source Revenue</b>							
Fees and Fines	-	-	0.1	0.1	0.1	-	7.6%
User Charges	320.9	320.9	0.1	321.0	267.5	(53.5)	-16.7%
Interest	2.3	2.3	-	2.3	1.9	(0.4)	-18.9%
Land Revenue	9.6	9.6	-	9.6	-	(9.6)	-100.0%
Resources Received Free of Charge	3.0	3.0	-	3.0	3.9	0.9	28.4%
Other Revenue and Gains	4.6	4.6	-	4.6	25.4	20.8	457.0%
<b>Total Own Source Revenue</b>	<b>340.4</b>	<b>340.4</b>	<b>0.2</b>	<b>340.6</b>	<b>298.8</b>	<b>(41.8)</b>	<b>-12.3%</b>
<b>Total Income</b>	<b>752.1</b>	<b>752.1</b>	<b>27.9</b>	<b>780.0</b>	<b>709.6</b>	<b>(70.5)</b>	<b>-9.0%</b>
<b>Expenditure</b>							
Employee and Superannuation	249.6	249.6	3.0	252.6	271.1	18.5	7.3%
Supplies and Services	279.1	279.1	2.2	281.3	242.8	(38.6)	-13.7%
Depreciation and Amortisation	73.2	73.2	0.7	73.9	74.1	0.2	0.3%
Grants and Purchased Services	71.9	71.9	22.8	94.7	106.6	11.9	12.6%
Borrowing Costs	2.3	2.3	-	2.3	1.6	(0.7)	-29.9%
Cost of Goods Sold	3.2	3.2	-	3.2	-	(3.2)	-100.0%
Waiver, Impairment Losses and Write-Offs	6.0	6.0	-	6.0	0.6	(5.4)	-90.2%
Other Expenses	36.4	36.4	-	36.4	99.9	63.5	174.3%
Transfer Expenses	3.3	3.3	-	3.3	0.4	(3.0)	-88.9%
<b>Total Expenditure</b>	<b>725.1</b>	<b>725.1</b>	<b>28.7</b>	<b>753.8</b>	<b>797.1</b>	<b>43.3</b>	<b>5.7%</b>
<b>Operating Surplus/(Deficit)</b>	<b>27.0</b>	<b>27.0</b>	<b>(0.8)</b>	<b>26.3</b>	<b>(87.5)</b>	<b>(113.8)</b>	<b>-433.5%</b>
Total Expenditure	725.1	725.1	28.7	753.8	797.1	43.3	5.7%
Total Own Source Revenue	340.4	340.4	0.2	340.6	298.8	(41.8)	-12.3%
<b>Net Cost of Services</b>	<b>384.7</b>	<b>384.7</b>	<b>28.5</b>	<b>413.2</b>	<b>498.3</b>	<b>85.2</b>	<b>20.6%</b>
Total Assets	2 280.8	2 280.8	53.9	2 334.6	2 285.9	(48.8)	-2.1%
Total Liabilities	200.8	200.8	1.6	202.3	442.9	240.6	118.9%
<b>Net Assets/(Liabilities)</b>	<b>2 080.0</b>	<b>2 080.0</b>	<b>52.3</b>	<b>2 132.3</b>	<b>1 842.9</b>	<b>(289.4)</b>	<b>-13.6%</b>

This table may not add due to rounding.

<sup>1</sup> There were no supplementary budgets during the year that impacted CMTEDD, so the Amended Budget equals the Original Budget.

<sup>2</sup> This column summarises the financial impact of the Administrative Arrangements (AAs) of 22 January 2016, which impacted the Directorate during the year.

## Directorate's Financial Position

### Net Assets/(Liabilities)

Net Assets for the financial year ended 30 June 2016 were **\$1.843 billion**, which is **\$289.4 million** lower than the Total Funding Net Assets of **\$2.132 billion**, and **\$0.174 billion** higher than the 30 June 2015 actual Net Assets of **\$1 669.4 million**. Reasons for these variations are explained in the following sections.

## Operating Result

The Directorate achieved an operating deficit of **\$87.5 million** for the 2015-16 financial year, which is **\$113.8 million** lower than the 2015-16 Total Funding surplus of **\$26.3 million**, and **\$47.3 million** lower than the 2014-15 financial year deficit of **\$134.8 million**. These variances are largely due to the reasons outlined below in relation to the Net Cost of Services.

## Net Cost of Services

The net cost of services facilitates an assessment of performance by showing the full cost and composition of resources consumed in conducting the Directorate's operations. The net cost of services also reflects the extent to which the Directorate relies on government appropriation to fund its expenses.

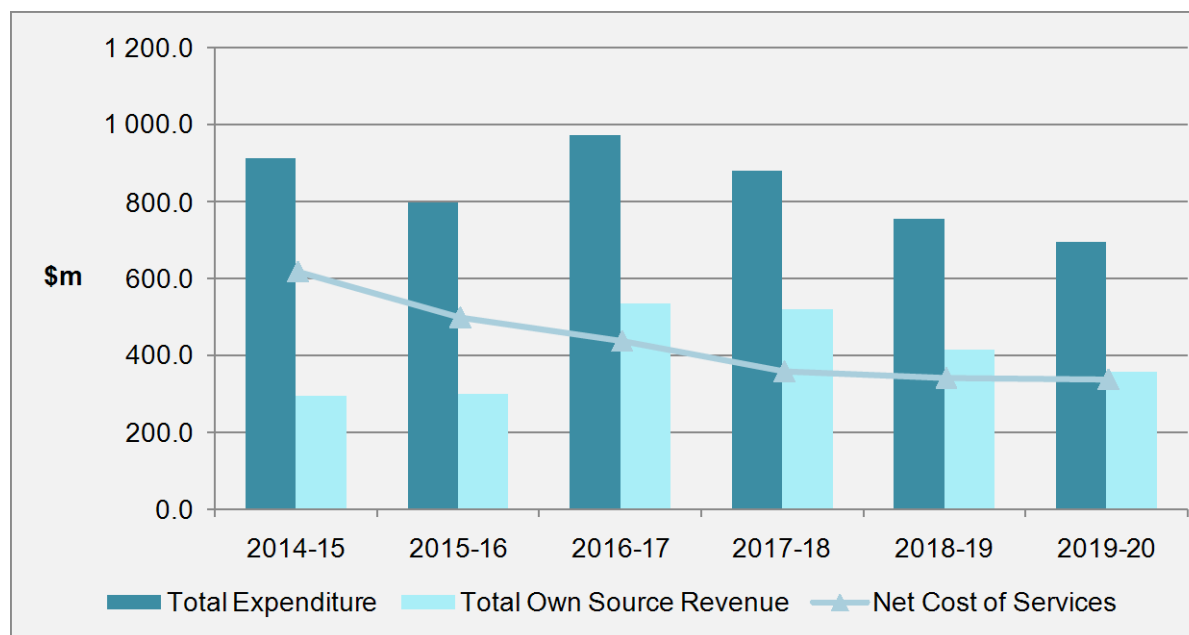
Net cost of services is calculated as total expenditure minus own source revenue. Own source revenue represents total income, less Government Payment for Outputs (GPO) appropriation.

**Table 2: Total Net Cost of Services**

	Actual 2014-15 \$m	Total Funding 2015-16 \$m	Actual 2015-16 \$m	Forward Estimate 2016-17 \$m	Forward Estimate 2017-18 \$m	Forward Estimate 2018-19 \$m	Forward Estimate 2019-20 \$m
Total Expenditure	912.0	753.8	797.1	972.9	879.1	756.0	694.3
Total Own Source Revenue	294.8	340.6	298.8	535.8	520.9	414.8	357.2
<b>Net Cost of Services</b>	<b>617.3</b>	<b>413.2</b>	<b>498.3</b>	<b>437.1</b>	<b>358.3</b>	<b>341.1</b>	<b>337.1</b>

The Directorate's net cost of services for 2015-16 of **\$498.3 million** was **\$85.1 million** or **20.6 per cent** higher than the 2015-16 Total Funding, and **\$119.0 million** or **19.3 per cent** lower than the prior year. Reasons for these variations are explained in the following sections.

**Figure 1: Net Cost of Services**



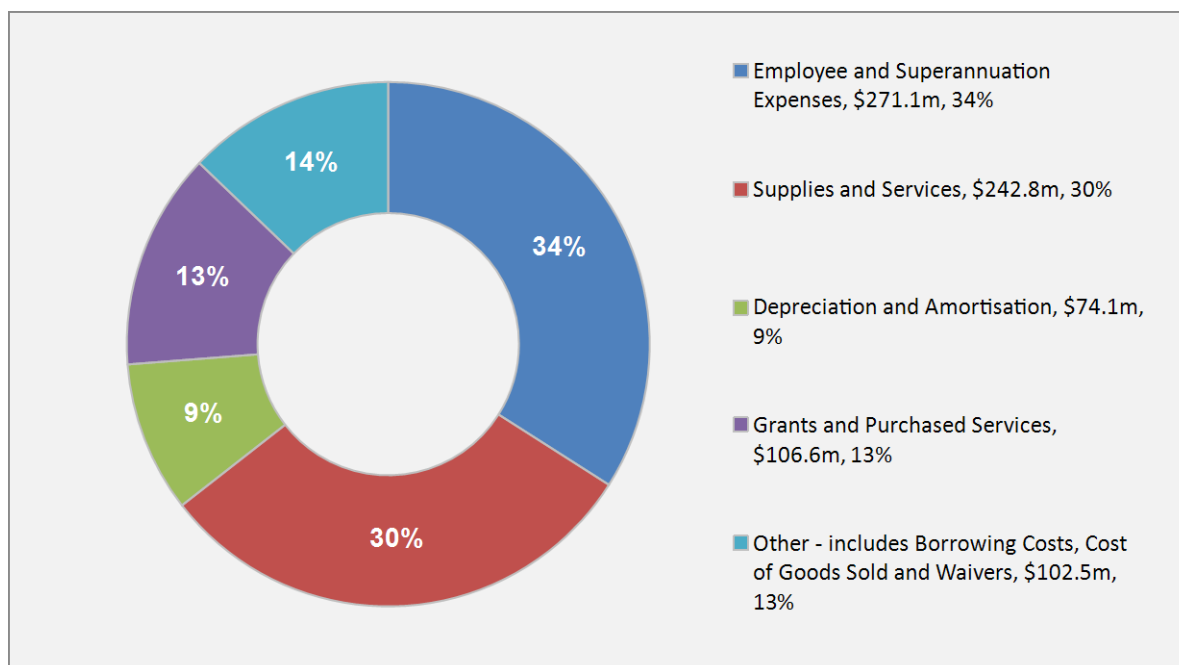
The steady decrease in the net cost of services from 2015-16 to 2017-18 largely reflects the timing of forecast sales of land remediated under the Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme).

## Total Expenditure

### 1. Components of Expenditure

Figure 2 indicates the components of the Directorate's expenditure for 2015-16, with the largest components being Grants and Purchased Services representing **13 per cent (\$106.6 million)**, Employee and Superannuation Expenses representing **34 per cent (\$271.1 million)** and Supplies and Services Expenses representing **30 per cent (\$242.8 million)** of ordinary activities.

Figure 2: Components of Expenditure for 2015-16



### 2. Comparison to the Total Funding

Total expenditure of **\$797.1 million** was **\$43.3 million**, or **5.7 per cent** higher than the 2015-16 Total Funding of **\$753.8 million**. This variation largely reflects higher than budget:

- employee and superannuation expenses (**\$18.5 million**), largely due to the full year impact of the Administrative Arrangements (AAs) and other transfers to CMTEDD during 2014-15;
- grants and purchased services (**\$11.9 million**), mainly due to more homeowners opting into the Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme) during 2015-16 compared to the original budget, partially offset by a deferral of expenditure from 2015-16 to 2016-17 and future years due to a lower than budgeted purchase of asbestos affected properties during 2015-16; and
- other expenses (**\$63.5 million**), primarily resulting from the transfer of completed capital works to Territory and Municipal Services Directorate (TAMSD), the Magistrates Court to JACSD and land and buildings to the Land Development Agency (LDA);

partially offset by lower than budget supplies and services (**\$38.6 million**), largely due to the rollover of funding from 2015-16 to future years, a reduction in the purchases of ICT business systems by Shared Services on behalf of other agencies due to agencies starting to purchase certain assets directly, and the removal of internal transactions within the Directorate (which was not done in the original budget).

### 3. Comparison to 2014-15 Actual Result

Total expenditure for 2015-16 of **\$797.1 million** was **\$114.9 million** or **12.6 per cent** lower than the 2014-15 actual result of **\$912.0 million**. The variation is primarily due to decreases in:

- grants and purchased services (**\$266.2 million**), due mostly to a reduction of homeowners opting into the Scheme during 2015-16 compared to 2014-15;

partially offset by increases in:

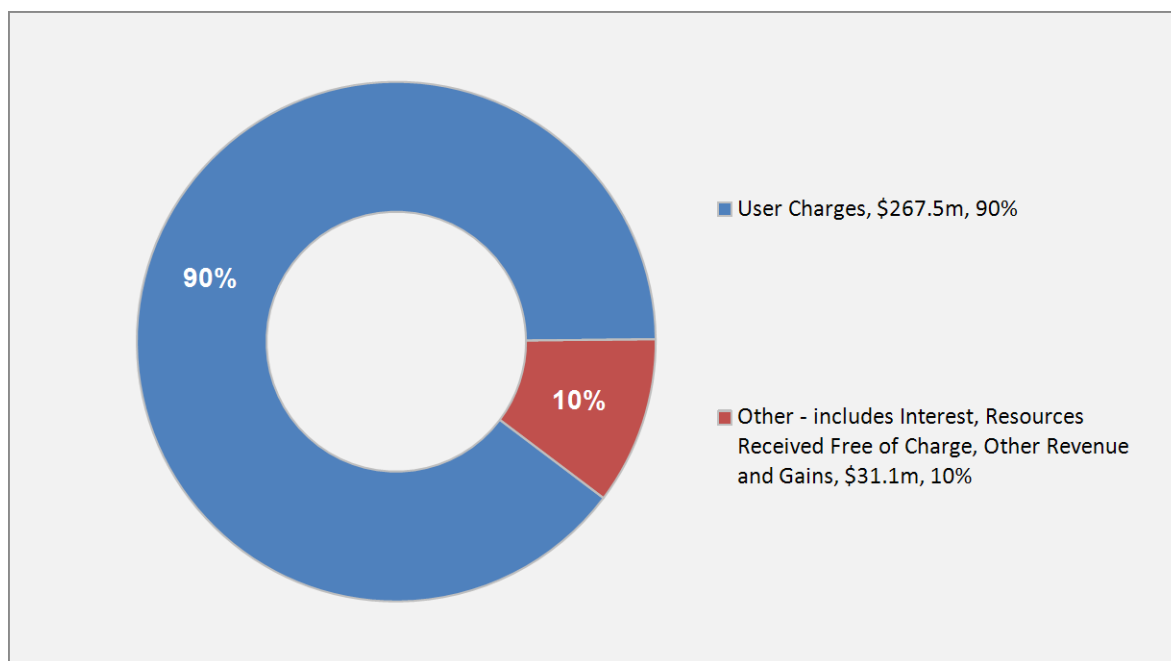
- employee and superannuation expenses (**\$46.4 million**), mostly due to the full year impact of the AAs and other transfers to CMTEDD during 2014-15, the transfer of the National Arboretum Canberra (NAC) from TAMSD and Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) following the AAs of 22 January 2016;
- supplies and services (**\$14.3 million**), largely due to the full year impact of the establishment of Access Canberra following the AAs of 15 December 2014, the transfer of the Arboretum from TAMSD following the AAs of 22 January 2016, and the rental of Winyu House, Gungahlin; and
- depreciation (**\$7.1 million**), due largely to the full year impact of the transfer of Childcare Centres from the then ETD to CMTEDD on 1 February 2015 and the full year impact of the transfer of Canberra Connect from TAMSD following the AAs of 15 December 2015.

## **Total Own Source Revenue**

### **1. Components of Own Source Revenue**

Figure 3 indicates that for the financial year ended 30 June 2016, the Directorate's Own Source Revenue was made up mainly of user charges (**90 per cent** of total own source revenue, or **\$267.5 million**). Other items include other revenue and gains (**9 per cent** or **\$25.4 million**), resources received free of charge (**1 per cent** or **\$3.9 million**) and interest (**1 per cent** or **\$1.9 million**).

**Figure 3: Components of Own Source Revenue for 2015-16**



### **2. Comparison to the Total Funding**

Own Source Revenue for the year ended 30 June 2016 of **\$298.8 million** was **\$41.8 million** or **12.3 per cent** lower than the 2015-16 Total Funding of **\$340.6 million**. This is largely due to reduced rent following the transfer of the Magistrates Court from the ACT Property Group (ACTPG) to the Justice and Community Safety Directorate (JACSD), the removal of internal trading transactions within the Directorate (which was not done in the original budget), a reduction in purchases of ICT business systems by Shared Services on behalf of other agencies due to agencies starting to purchase certain assets directly, and a reduction in the use of ACTPG project related services for minor new works by other agencies.

### **3. Comparison to 2014-15 Actual Income**

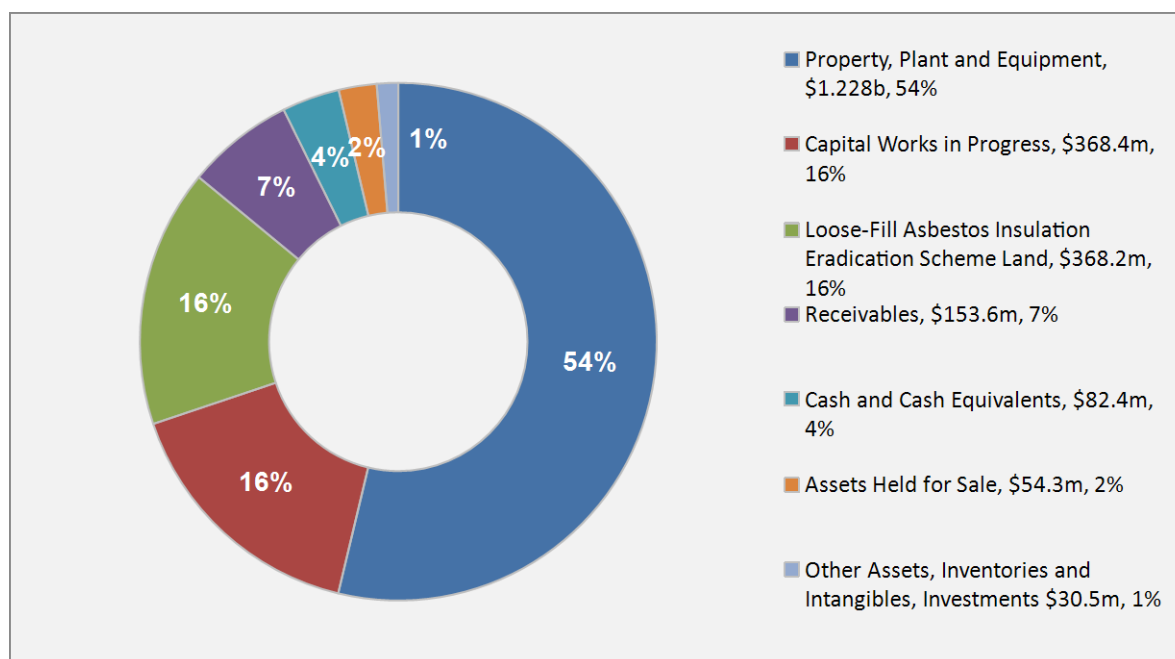
Own Source Revenue for the year ending 30 June 2016 of **\$298.8 million** was **\$4.0 million** or **1.4 per cent** higher than the 2014-15 result of **\$294.8 million**.

**Table 3: Net Assets/(Liabilities)**

	Actual 2015 \$m	Total Funding 2016 \$m	Actual 2016 \$m
Total Assets	2 098.0	2 334.6	2 285.9
Total Liabilities	428.6	202.3	442.9
<b>Net Assets/(Liabilities)</b>	<b>1 669.4</b>	<b>2 132.3</b>	<b>1 842.9</b>

**Total Assets****1. Components of Total Assets**

Figure 4 indicates that for the financial year ended 30 June 2016, the Directorate held **54 per cent** of its assets in Property Plant and Equipment, **16 per cent** in Capital Works in Progress, **16 per cent** in Loose-Fill Asbestos Insulation Eradication Scheme Land, **7 per cent** in Receivables, mostly relating to Loans Receivable from Community Housing Canberra (CHC), **4 per cent** in Cash and Cash Equivalents, **2 per cent** in Assets Held for Sale, and **1 per cent** in Inventory, Intangibles and Other Assets.

**Figure 4: Total Assets as at 30 June 2016****2. Comparison to the Total Funding**

The total asset position as at 30 June 2016 was **\$2.286 billion**, **\$48.8 million** or **2.1 per cent lower than** the Total Funding of **\$2.335 billion**, largely due to:

- a lower than planned progression of capital works during the year, savings in the capital works program, and an acceleration of the Public Housing Renewal program in 2014-15;

partially offset by:

- higher cash balances to provide flexibility for the management of the Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme); and
- an increase in Scheme land and assets held for sale, reflecting the purchase of an additional 287 asbestos affected blocks during the year, and the completion of remediation on the first 134 properties (of which 11 have been sold).

### 3. Comparison to 30 June 2015 Actual

The Directorate's total asset position of **\$2.286 billion** is **\$0.188 billion** or **9.0 per cent** higher than the 30 June 2015 actual result of **\$2.098 billion** due to increases in:

- Scheme land and assets held for sale, reflecting the purchase of an additional 287 asbestos affected blocks during the year, and the completion of remediation on the first 134 properties (of which 11 have been sold); and
- capital works in progress, largely due to public housing renewal program assets under development.

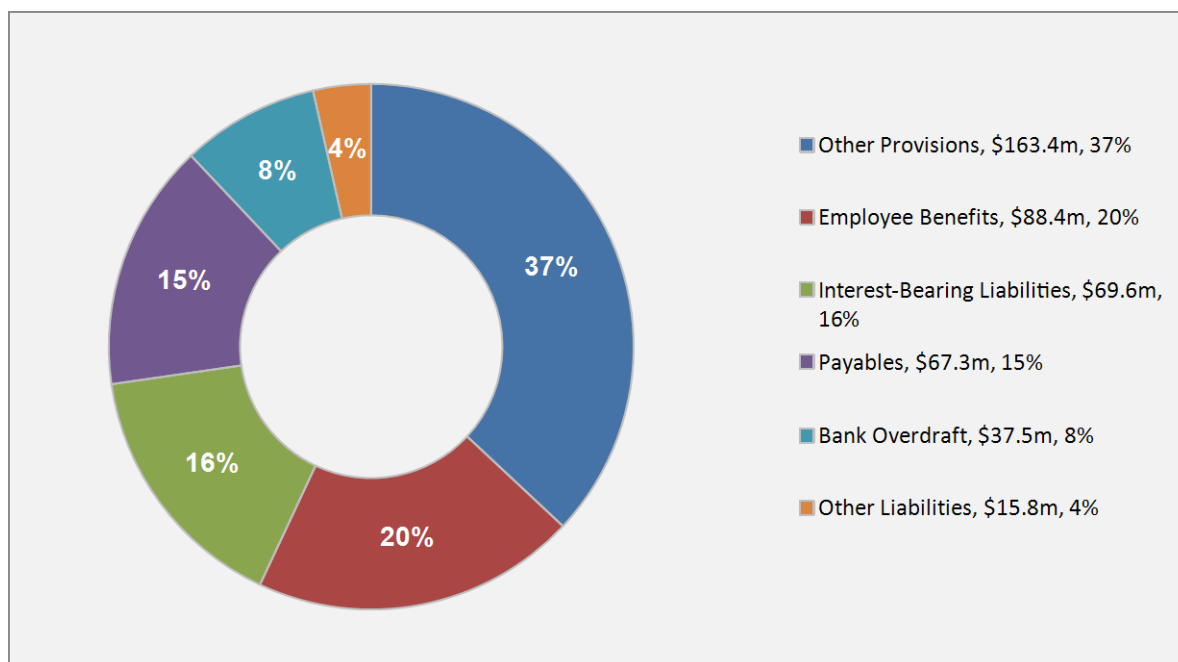
This is partially offset by lower cash balances resulting from the timing of cash flows late in the financial year and a reduction in the frequency of property acquisition by the Asbestos Response Taskforce as the purchase phase of the Scheme winds down, which has resulted in a reduction of funds kept "at call" for property purchases.

#### Total Liabilities

##### 1. Components of Total Liabilities

Figure 5 indicates that for the financial year ended 30 June 2016, the Directorate held **37 per cent** of its liabilities in Other Provisions, which largely relates to the expected purchase of asbestos affected properties and the subsequent building demolition and land remediation on those sites, **20 per cent** in Employee Benefits, **15 per cent** in Payables and **16 per cent** in Interest-Bearing Liabilities associated with the Community Housing Canberra (CHC) and Exhibition Park in Canberra (EPIC) loans.

**Figure 5: Total Liabilities as at 30 June 2016**



##### 2. Comparison to the Total Funding

The Directorate's total liabilities for the year ended 30 June 2016 of **\$442.9 million** was **\$240.6 million** or **118.9 per cent** higher than the 30 June 2015 Total Funding of **\$202.3 million**. This variation is largely due to the recognition of provisions for the purchase of asbestos affected properties and the associated building demolition and land remediation to be undertaken under the Scheme, which was not done in the 2015-16 Budget.

### **3. Comparison to 30 June 2015 Actual**

Total liabilities of **\$442.9 million** are **\$14.4 million** or **3.4 per cent** higher than the 30 June 2015 result of **\$428.6 million**. This variation is largely due to increases in:

- the Directorate's overdraft resulting from the timing of recoveries from other ACT Government agencies for work undertaken on their behalf by Procurement and Capital Works; and
- payables due to the timing of payments associated with work done in relation to the public housing renewal project;

partially offset by a reduction in other provisions, reflecting the ongoing purchase of asbestos affected properties and the associated building demolition and land remediation work.

## Territorial Financial Performance

Consistent with the Directorate's controlled accounts, the following information is based on the audited Annual Financial Statements for 2014-15 and 2015-16, the 2015-16 budget published in the 2015-16 Budget Statements and the forward estimates contained in the 2016-17 Budget Statements.

The 2015-16 Annual Financial Statements accompanying this Management Discussion and Analysis (MD&A) uses the original budget as published in the 2015-16 Budget Papers for comparative purposes, whereas the following analysis of the Directorate's financial performance is based on the 2015-16 Total Funding, which includes the Original Budget and the AAs that impacted the Directorate during the year.

The following table provides information on changes between the 2015-16 Original Budget and 2015-16 Total Funding, and variances between the 2015-16 Total Funding and the 2015-16 actual results.

**Table 4: 2015-16 Statement of Income and Expenses on Behalf of the Territory and Net Assets/(Liabilities) Movements between Original Budget, Amended Budget, Total Funding, and Actual Results**

Description	Original Budget 2015-16 \$m	Amended Budget <sup>1</sup> 2015-16 \$m	Plus AA Transfers <sup>2</sup> 2015-16 \$m	Total Funding 2015-16 \$m	Actual \$m	Variance Including Transfers	
						\$m	%
<b>Income</b>							
Payments for Expenses on Behalf of the Territory	73.6	73.6	0.1	73.7	71.2	(2.5)	-3.4%
Taxes, Fees and Fines	1 672.7	1 672.7	-	1 672.7	1 741.2	68.5	4.1%
User Charges	17.2	17.2	-	17.2	15.7	(1.5)	-8.7%
Grants from the Commonwealth	1 538.9	1 538.9	-	1 538.9	1 545.8	6.9	0.4%
Dividends	238.5	238.5	-	238.5	256.8	18.4	7.7%
Land Revenue	12.9	12.9	-	12.9	71.0	58.0	449.1%
Other Revenue	1.6	1.6	-	1.6	2.2	0.5	31.1%
<b>Total Income</b>	<b>3 555.4</b>	<b>3 555.4</b>	<b>0.1</b>	<b>3 555.5</b>	<b>3 703.8</b>	<b>148.3</b>	<b>4.0%</b>
<b>Expenditure</b>							
Supplies and Services	11.7	11.7	-	11.7	11.7	(0.1)	-0.6%
Cost of Land Sold	-	-	-	-	60.2	60.2	100.0%
Grants and Purchased Services	45.1	45.1	0.1	45.2	61.8	16.6	36.7%
Waiver, Impairment Losses and Write-Offs	9.1	9.1	-	9.1	6.5	(2.6)	-28.4%
Other Expenses	27.9	27.9	-	27.9	2.2	(25.7)	-92.0%
Transfer to Government	3 461.6	3 461.6	-	3 461.6	3 567.0	105.3	3.0%
<b>Total Expenditure</b>	<b>3 555.4</b>	<b>3 555.4</b>	<b>0.1</b>	<b>3 555.5</b>	<b>3 709.4</b>	<b>153.8</b>	<b>4.1%</b>
<b>Operating Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.6)</b>	<b>(5.6)</b>	<b>100.0%</b>
<b>Total Assets</b>	<b>847.2</b>	<b>847.2</b>	<b>-</b>	<b>847.2</b>	<b>773.8</b>	<b>(73.4)</b>	<b>-8.7%</b>
<b>Total Liabilities</b>	<b>216.0</b>	<b>216.0</b>	<b>-</b>	<b>216.0</b>	<b>385.8</b>	<b>169.9</b>	<b>78.6%</b>
<b>Net Assets/(Liabilities)</b>	<b>631.2</b>	<b>631.2</b>	<b>-</b>	<b>631.2</b>	<b>388.0</b>	<b>(243.2)</b>	<b>-62.7%</b>

This table may not add due to rounding.

<sup>1</sup> There were no supplementary budgets during the year that impacted CMTEDD, so the Amended Budget equals the Original Budget.

<sup>2</sup> This column summarises the financial impact of the Administrative Arrangements (AAs) of 22 January 2016, which impacted the Directorate during the year.

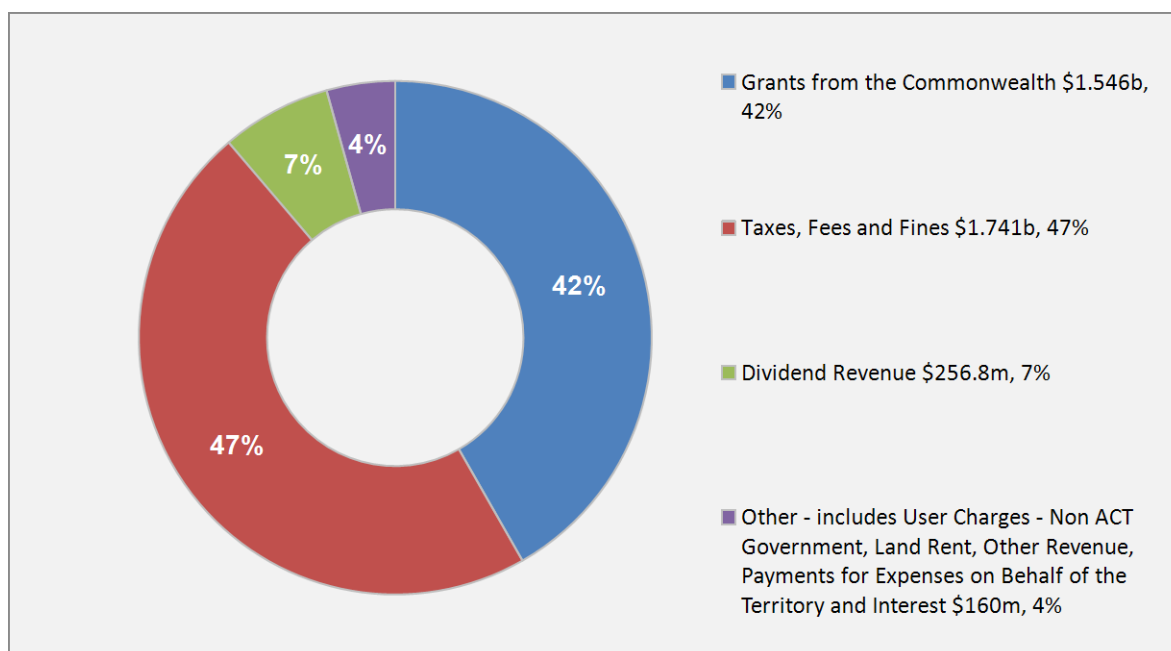
## Territorial Statement of Income and Expenses

### Total Revenue

#### 1. Components of Revenue

Total revenue for 2015-16 was **\$3.704 billion**, and was comprised largely of the collection of taxes, fees and fines (**47 per cent** or **\$1.741 billion**), grants from the Commonwealth (**42 per cent** or **\$1.546 billion**) and dividend revenue from the Territory's dividend paying agencies (**7 per cent** or **\$256.8 million**).

Figure 6: Components of Income for 2015-16



#### 2. Comparison to Total Funding

Total Income of **\$3.704 billion** for 2015-16 is comparable to the 2015-16 Total Funding of **\$3.556 billion**. The **\$148.3 million** higher than Total Funding results from higher:

- taxes, fees and fines of **\$68.5 million**, largely due to higher revenues in conveyance duties (**\$57.4 million**), payroll tax (**\$19.2 million**), income tax equivalent (**\$13.6 million**), partially offset by lower general rates (**\$4.8 million**), fees (**\$10.6 million**) and fines (**\$6.7 million**);
- grants from the Commonwealth of **\$6.9 million**, largely reflecting an increase in GST Revenue (**\$16.6 million**) and Education National Partnership Payments (NPPs) (**\$14.2 million**), partially offset by two instalments of Financial Assistance Grants for Local Government being brought forward to 2014-15 from 2015-16 (**\$24.3 million**);
- dividends of **\$18.4 million**, largely relating to the Land Development Agency (LDA) (**\$16.5 million**), Icon Water Limited (**\$10.8 million**), partially offset by lower dividends from the ACT Property Group (**\$8.8 million**) and Public Trustee (**\$0.2 million**); and
- land revenue of **\$58.0 million**, which represents the sale of 201 Land Rent blocks, which was not budgeted for.

### 3. *Comparison to 2014-15 Actual Result*

Total Income has increased by **\$0.436 billion** compared to the 2014-15 result of **\$3.268 billion**, reflecting higher:

- taxes, fees and fines (**\$0.562 billion**), largely due to the full year impact of the transfer of the Revenue Office function from the former Commerce and Works Directorate (CWD) to CMTEDD following the Administrative Arrangements (AAs) of 7 July 2014 and the transfer of regulatory functions from the Justice and Community Safety Directorate (JACSD) and the Environment and Planning Directorate (EPD) to the Directorate associated with the establishment Access Canberra following the AAs of 15 December 2014;
- dividend revenue (**\$67.2 million**), due to increased dividend revenue from LDA (**\$95.2 million**), partially offset by lower dividend from Icon Water Limited (**\$13.9 million**), ACT Property Group (**\$8.4 million**) and the former ACTTAB (**\$5.5 million**); and
- land revenue (**\$29.1 million**), mainly due to the sale of more Land Rent blocks during 2015-16 compared to 2014-15, and the full year impact of the transfer of the former Commerce and Works Directorate (CWD) to CMTEDD following the AAs of 7 July 2014 (the full year's land rent is recognised at the beginning of each year);

partially offset by lower:

- grants from the Commonwealth (**\$125.3 million**), largely resulting from lower GST Revenue Grant funds being received (**\$56.4 million**), two instalments of Financial Assistance Grants for local Government being brought forward to 2014-15 from 2015-16 (**\$48.9 million**) and lower National Partnership Payments (NPPs) (**\$35.4 million**), partially offset by higher National Specific Purpose Payments for Education Reform (**\$13.2 million**); and
- other gains (**\$105.5 million**), due to a one-off gain from the sale of the ACTTAB business in 2014-15.

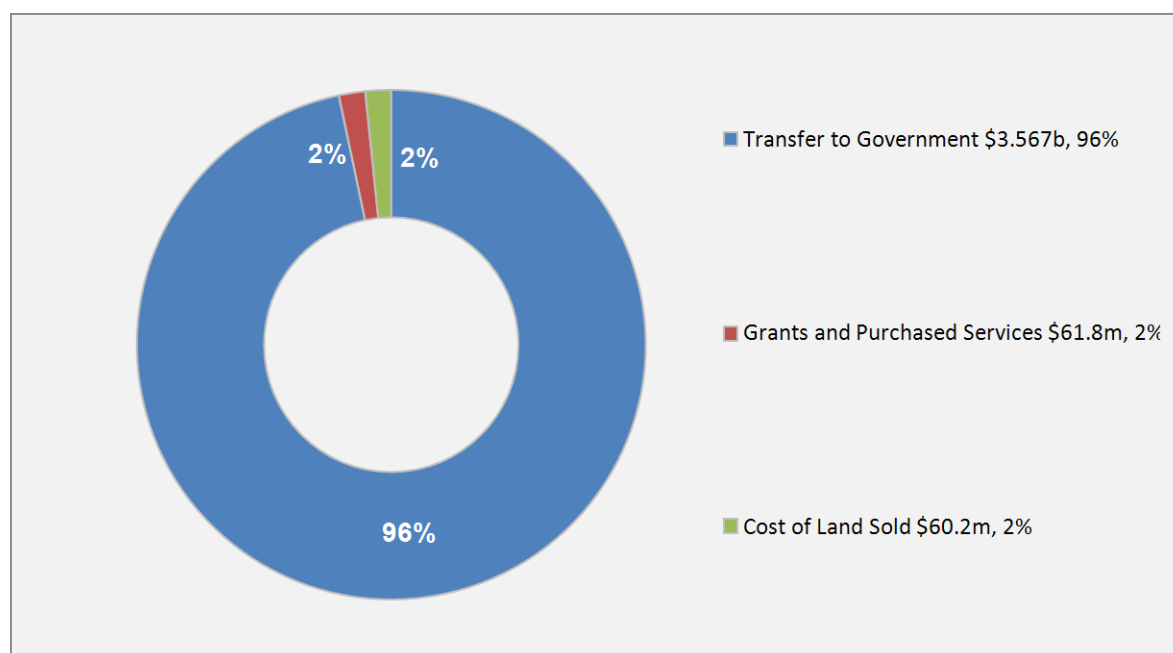
Note: Dividend Revenue reported by CMTEDD reflects dividends declared by the ACT Property Group within the CMTEDD Controlled accounts, the Public Trustee for the ACT, Icon Water Limited (formerly ACTEW Corporation Limited) and LDA. For further information regarding the dividends declared and/or performance of the dividend paying agencies, refer to the respective agency's 2015-16 Annual Financial Report.

### **Total Expenditure**

#### 1. *Components of Expenditure*

Total expenditure for 2015-16 was **\$3.709 billion**, and was comprised mainly of transfers to the Territory Banking Account (TBA) of monies collected on behalf of the Territory (**\$3.567 billion or 96 per cent**). Other territorial expense items include Grants and Purchased Services for Community Service Obligations, Subsidies and Concessions and the First Home Owners Scheme (**\$61.8 million or 2 per cent**) and the cost of land sold (**\$60.2 million or 2 per cent**).

**Figure 7: Components of Expenses for 2015-16**



## 2. Comparison to Total Funding

Total Expenses of **\$3.709 billion** for 2015-16 is comparable to the 2015-16 Total Funding of **\$3.556 billion**. The **\$153.8 million** higher than Total Funds mainly results from an increase in amounts transferred to the TBA (**\$105.3 million**) largely due to the increase in taxes, fees and fines, grants from the Commonwealth, dividend revenue and land revenue. The increase is also affected by recording the value of Land Rent blocks sold to eligible lessees, which was not budgeted for.

## 3. Comparison to 2014-15 Actual Result

Total Expenses has increased by **\$0.441 billion** compared to the 2014-15 result of **\$3.268 billion**, with the majority reflecting higher amounts transferred to the TBA (**\$0.415 billion**) due to the increase in taxes, fees and fines, grants from the Commonwealth and dividend revenue. The increase is also affected by recording the value of Land Rent blocks sold to eligible lessees, which was not budgeted for.

## Territorial Financial Position

### Net Assets/(Liabilities)

Net Assets for the financial year ended 30 June 2016 were **\$388.0 million**, which is **\$243.2 million** or **37.3 per cent** lower than the Total Funding Net Assets of **\$631.2 million**. Reasons for these variations are explained in the following sections.

**Table 5: Territorial Net Assets/(Liabilities)**

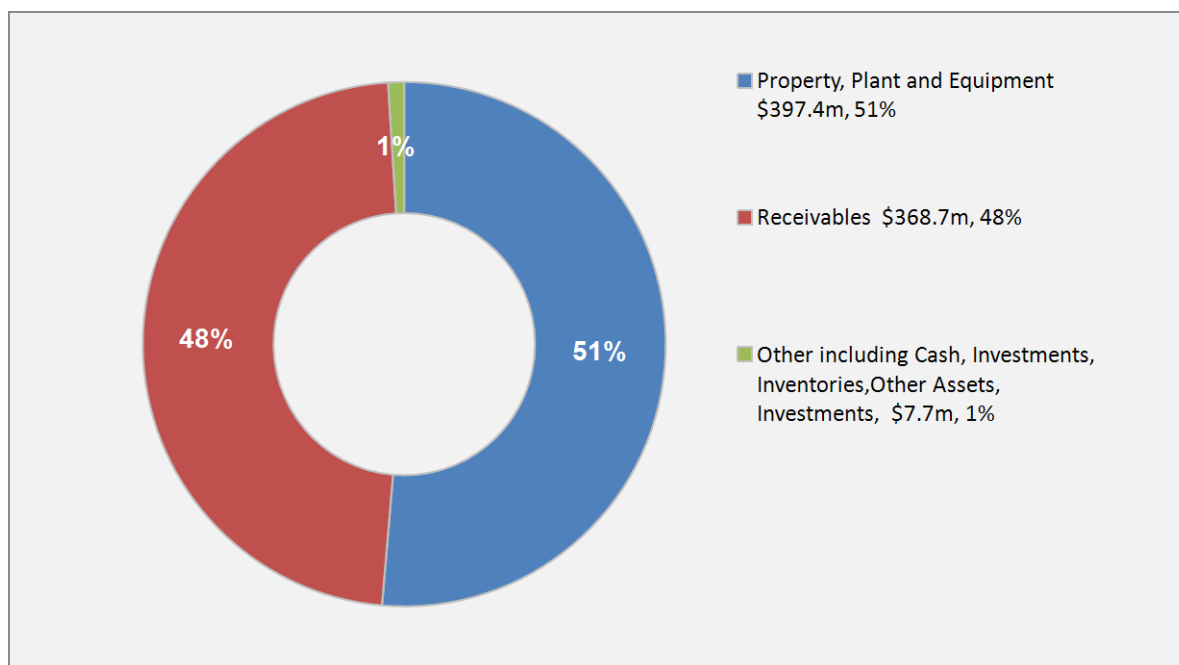
	Actual 2015 \$m	Total Funding 2016 \$m	Actual 2016 \$m
Total Assets	646.1	847.2	773.8
Total Liabilities	267.3	216.0	385.8
<b>Net Assets/(Liabilities)</b>	<b>378.9</b>	<b>631.2</b>	<b>388.0</b>

## Total Assets

### 1. Components of Total Assets

Figure 8 indicates that for the financial year ended 30 June 2016, the Directorate held **51 per cent (\$397.4 million)** of its assets in Property Plant and Equipment in relation to the Land Rent Scheme, **48 per cent (\$368.7 million)** in Receivables, **1 per cent (\$7.7 million)** in Investments, Cash and Cash Equivalents, Inventory and Other Assets.

Figure 8: Total Assets as at 30 June 2016



### 2. Comparison to Total Funding

Total assets at 30 June 2016 are **\$773.8 million**, which are **\$73.4 million** or **8.7 per cent** lower than the Total Funding of **\$847.2 million**. The decrease is largely due to lower than estimated takeup of Land Rent block purchases as at 30 June 2016 than budgeted, partially offset by higher than forecast receivables relating to taxes, fees, fines and dividends.

### 3. Comparison to 30 June 2015 Actual Result

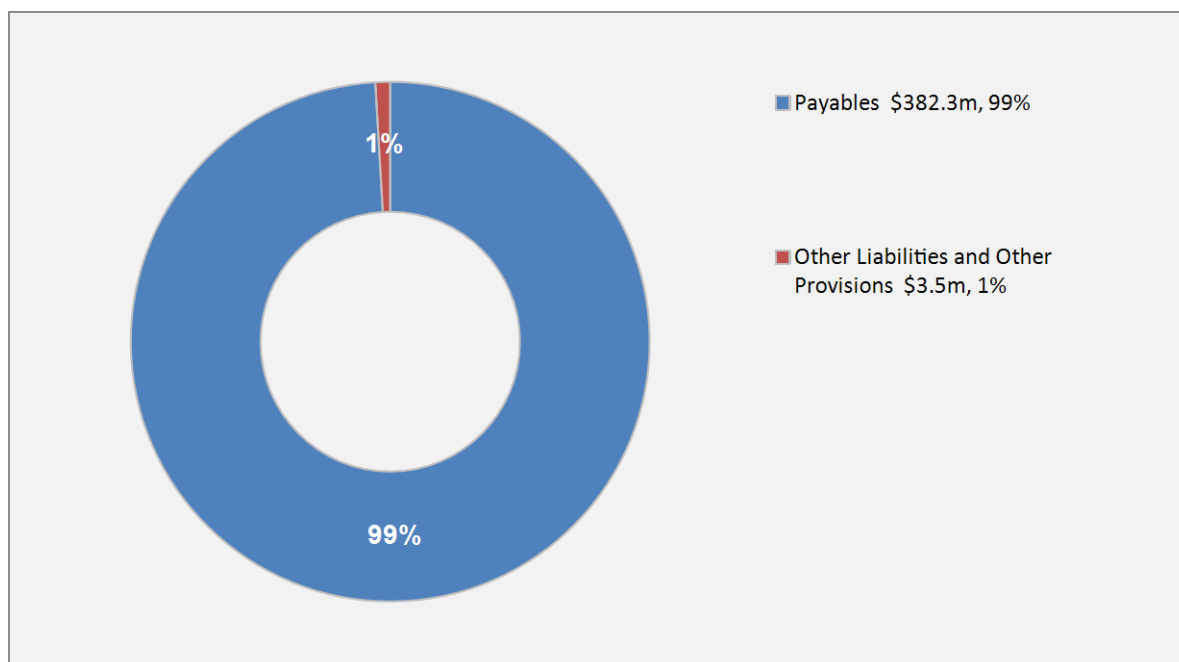
Total assets at 30 June 2016 are **\$773.8 million**, which are **\$127.7 million** higher than the prior year actual of **\$646.1 million**. The increase is largely due to increased receivables associated with the collection of income tax equivalents, payroll tax, other taxes, fees and fines, and dividends on behalf of the Territory.

## Total Liabilities

### 1. Components of Total Liabilities

Figure 9 indicates that for the financial year ended 30 June 2016, the Directorate held **99 per cent (\$382.3 million)** of its liabilities in Payables and **1 per cent (\$3.5 million)** in Other Liabilities and Other Provisions.

**Figure 9: Total Liabilities as at 30 June 2016**



**2. Comparison to Total Funding**

Total liabilities at 30 June 2016 are **\$385.8 million**, which are **\$169.8 million** higher than the total funding of **\$216.0 million**. The increase is largely due to higher than estimated payables to the Territory Banking Account (TBA) resulting from the higher than budget collection of taxes, fees, fines and dividends as at 30 June 2016, as mentioned above.

**3. Comparison to 30 June 2015 Actual Result**

Total liabilities at 30 June 2016 are **\$385.8 million**, which are **\$118.5 million** higher than the prior year actual of **\$267.3 million**. The increase is largely due to increased payables to the TBA associated with the collection of taxes, fees, fines and dividends on behalf of the Territory.

## **INDEPENDENT AUDIT REPORT**

### **CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**

**To the Members of the ACT Legislative Assembly**

#### **Report on the financial statements**

The financial statements of the Chief Minister, Treasury and Economic Development Directorate (the Directorate) for the year ended 30 June 2016 have been audited. These comprise the following financial statements and accompanying notes:

- Controlled financial statements – operating statement, balance sheet, statement of changes in equity, cash flow statement and statement of appropriation.
- Territorial 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, cash flow statement on behalf of the Territory and statement of appropriation.

#### **Responsibility for the financial statements**

The Director-General of the Directorate is responsible for the preparation and fair presentation of the financial statements in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

#### **The auditor's responsibility**

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the financial statements of the Directorate.

The audit was conducted in accordance with Australian Auditing Standards to obtain reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial statements or to evaluate the prudence of decisions made by the Directorate.

### **Electronic presentation of the audited financial statements**

Those viewing an electronic presentation of these financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from these financial statements. If users of these statements are concerned with the inherent risks arising from the electronic presentation of information, then they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

### **Independence**

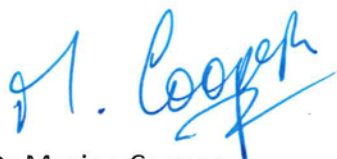
Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

### **Audit opinion**

In my opinion, the financial statements of the Directorate for the year ended 30 June 2016:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Directorate at 30 June 2016 and the results of its operations and cash flows for the year then ended.

The audit opinion should be read in conjunction with other information disclosed in this report.



Dr Maxine Cooper  
Auditor-General

21 September 2016

**Chief Minister, Treasury and Economic Development Directorate  
Financial Statements  
For the Year Ended 30 June 2016**

**Statement of Responsibility**

In my opinion, the financial statements are in agreement with the Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2016 and the financial position of the Directorate on that date.



Kathy Leigh  
Director-General  
Chief Minister, Treasury and Economic Development Directorate

19 September 2016

**Chief Minister, Treasury and Economic Development Directorate**  
**Financial Statements**  
**For the Year Ended 30 June 2016**

**Statement by the Chief Finance Officer**

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2016 and the financial position of the Directorate on that date.



Paul Ogden  
Chief Finance Officer  
Chief Minister, Treasury and Economic Development Directorate

19 September 2016



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

**Controlled Financial Statements**

**For The Year Ended  
30 June 2016**



**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement**  
**For the Year Ended 30 June 2016**

		Actual	Original	Actual
	Note	2016	Budget	2015
	No.	\$'000	\$'000	\$'000
<b>Income</b>				
<i>Revenue</i>				
Government Payment for Outputs	4	410 779	411 730	482 451
Fees and Fines	5	128	-	-
User Charges – Non-ACT Government	6	25 161	24 593	24 714
User Charges – ACT Government	6	242 356	296 322	256 019
Interest	7	1 883	2 321	1 983
Land Revenue		-	9 572	-
Resources Received Free of Charge	8	3 850	2 996	3 561
Other Revenue	9	5 784	4 562	3 420
<b>Total Revenue</b>		<b>689 941</b>	<b>752 096</b>	<b>772 148</b>
<i>Gains</i>				
Other Gains				
Gains on Loose-Fill Asbestos Insulation Eradication Scheme (Scheme) Land Sales	10	889	-	-
Other	10	18 737	-	5 068
<b>Total Gains</b>		<b>19 626</b>	<b>-</b>	<b>5 068</b>
<b>Total Income</b>		<b>709 567</b>	<b>752 096</b>	<b>777 216</b>
<b>Expenses</b>				
Employee Expenses	11	238 966	215 346	196 827
Superannuation Expenses	12	32 124	34 229	27 827
Supplies and Services	13	242 762	279 113	228 503
Depreciation and Amortisation	14	74 120	73 228	66 987
Grants and Purchased Services				
Scheme Grants	15	48 775	640	336 130
Grants	15	49 469	54 394	34 390
Purchased Services	15	8 384	16 836	2 322
Borrowing Costs	16	1 621	2 311	1 903
Cost of Goods Sold		-	3 201	-
Waivers, Impairment Losses and Write-Offs	17	589	6 030	365
Other	18	99 912	36 405	16 765
Transfers to Government				
Scheme Transfer Expenses	19	370	-	-
Other Transfers		-	3 341	-
<b>Total Expenses</b>		<b>797 092</b>	<b>725 074</b>	<b>912 019</b>
<b>Operating Surplus/(Deficit)</b>		<b>(87 525)</b>	<b>27 022</b>	<b>(134 803)</b>
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase/(Decrease) in the Asset Revaluation Surplus	39	(12 695)	3 251	38 731
<b>Total Other Comprehensive Income</b>		<b>(12 695)</b>	<b>3 251</b>	<b>38 731</b>
<b>Total Comprehensive Income/(Deficit)</b>		<b>(100 220)</b>	<b>30 273</b>	<b>(96 072)</b>

This table may not add due to rounding.

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

**Chief Minister, Treasury and Economic Development Directorate**  
**Balance Sheet**  
**As at 30 June 2016**

		Actual	Original	
	Note	2016	Budget	Actual
	No.	\$'000	2016	2015
		\$'000	\$'000	\$'000
<b>Current Assets</b>				
Cash and Cash Equivalents	22	82 435	27 757	125 926
Receivables	23	85 375	68 129	53 764
Inventories	24	1 237	153	282
Assets Held for Sale				
Loose-Fill Asbestos Insulation Eradication Scheme (Scheme) Land Held for Sale	25	54 258	-	-
Other		-	21	-
Other Assets	31	8 952	8 199	7 954
<b>Total Current Assets</b>		<b>232 257</b>	<b>104 259</b>	<b>187 926</b>
<b>Non-Current Assets</b>				
Receivables	23	68 248	71 897	70 372
Investments		-	993	-
Scheme Land	27	368 246	351 350	282 617
Property, Plant and Equipment	28	1 228 344	1 193 929	1 251 104
Investment Properties	26	5 410	2 600	2 600
Intangible Assets	29	14 502	22 309	14 558
Capital Works in Progress	30	368 430	533 267	288 597
Other Assets	31	430	177	196
<b>Total Non-Current Assets</b>		<b>2 053 610</b>	<b>2 176 522</b>	<b>1 910 044</b>
<b>Total Assets</b>		<b>2 285 867</b>	<b>2 280 781</b>	<b>2 097 970</b>
<b>Current Liabilities</b>				
Bank Overdraft	32	37 498	-	13 403
Payables	33	67 231	23 808	31 324
Borrowings	34	729	-	842
Interest-Bearing Liabilities	35	51	52	-
Finance Leases		-	2 049	-
Employee Benefits	36	82 279	75 440	86 558
Other Provisions	37	109 461	-	132 260
Other Liabilities	38	14 134	17 773	15 494
<b>Total Current Liabilities</b>		<b>311 383</b>	<b>119 122</b>	<b>279 881</b>
<b>Non-Current Liabilities</b>				
Payables	33	90	-	124
Borrowings	34	256	-	826
Interest-Bearing Liabilities	35	69 561	71 591	69 612
Finance Leases		-	2 605	-
Employee Benefits	36	6 133	5 443	4 903
Other Provisions	37	53 896	198	71 990
Other Liabilities	38	1 617	1 800	1 234
<b>Total Non-Current Liabilities</b>		<b>131 553</b>	<b>81 637</b>	<b>148 689</b>
<b>Total Liabilities</b>		<b>442 936</b>	<b>200 759</b>	<b>428 570</b>
<b>Net Assets</b>		<b>1 842 933</b>	<b>2 080 022</b>	<b>1 669 399</b>
<b>Equity</b>				
Accumulated Funds		1 388 533	1 616 929	1 194 599
Asset Revaluation Surplus	39	454 400	463 093	474 800
<b>Total Equity</b>		<b>1 842 933</b>	<b>2 080 022</b>	<b>1 669 399</b>

This table may not add due to rounding.

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

**Chief Minister, Treasury and Economic Development Directorate**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2016**

	Note No.	Accumulated Funds Actual \$'000	Asset Revaluation Surplus Actual \$'000	Total Equity Actual \$'000	Original Budget \$'000
<b>Balance at 1 July 2015</b>		<b>1 194 599</b>	<b>474 800</b>	<b>1 669 399</b>	<b>1 696 722</b>
<b>Comprehensive Income</b>					
Operating (Deficit)/Surplus		(87 525)	-	<b>(87 525)</b>	27 022
(Decrease)/Increase in the Asset Revaluation Surplus	39	-	(12 695)	<b>(12 695)</b>	3 251
<b>Total Comprehensive Income/(Deficit)</b>		<b>(87 525)</b>	<b>(12 695)</b>	<b>(100 220)</b>	<b>30 273</b>
Net Effect of Correction of an Error		(930)	-	<b>(930)</b>	-
<b>Transactions Involving Owners Affecting Accumulated Funds</b>					
Capital Injections					
Loose-Fill Asbestos Insulation Eradication Scheme (Scheme)		102 843	-	<b>102 843</b>	127 587
Other		182 864	-	<b>182 864</b>	299 179
Capital Distributions					
Scheme		(4 971)	-	<b>(4 971)</b>	(51 713)
Other		(7 400)	-	<b>(7 400)</b>	(9 919)
Net Assets Transferred in as part of an Administrative Restructure	41	54 823	-	<b>54 823</b>	-
Net Assets Transferred Out to Other Agencies <sup>1</sup>		(50 142)	-	<b>(50 142)</b>	-
Dividend Approved		(3 334)	-	<b>(3 334)</b>	(12 107)
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>		<b>274 683</b>	<b>-</b>	<b>274 683</b>	<b>353 027</b>
<b>Movement in the Asset Revaluation Surplus</b>					
Transfers of the Asset Revaluation Surplus to/(from) Accumulated Funds	39	7 705	(7 705)	-	-
<b>Total Movement in the Asset Revaluation Surplus</b>		<b>7 705</b>	<b>(7 705)</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June 2016</b>		<b>1 388 533</b>	<b>454 400</b>	<b>1 842 932</b>	<b>2 080 022</b>

This table may not add due to rounding.

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

<sup>1</sup> Net Assets Transferred out to Other Agencies largely reflects the value of dwellings transferred to Housing ACT under the Public Housing Renewal Program.

Note 1: During 2015-16, there were several Administrative Arrangements (AAs), which have had an impact on the Directorate's 2015-16 Actual results. More information on these transfers is included in Note 1(a), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2015-16', and the 'Controlled Statement of Appropriation'.

Note 2: The values in 'Transfers of Asset Revaluation Surplus to/(from) Accumulated Funds' mostly represents the Asset Revaluation Surplus transferred from other ACT Government directorates to CMTEDD following the AAs impacting the Directorate during the year. In practical terms, the Asset Revaluation Surpluses were transferred into CMTEDD via Accumulated Funds, then transferred to the Asset Revaluation Surplus.

**Chief Minister, Treasury and Economic Development Directorate**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2015**

	Note No.	Accumulated Funds Actual \$'000	Asset Revaluation Surplus Actual \$'000	Total Equity Actual \$'000
<b>Balance at 1 July 2014</b>		<b>2 224</b>	<b>-</b>	<b>2 224</b>
<b>Comprehensive Income</b>				
Operating Surplus/(Deficit)		(134 804)	-	<b>(134 804)</b>
Increase/(Decrease) in the Asset Revaluation Surplus	39	-	38 731	<b>38 731</b>
<b>Total Comprehensive Income/(Deficit)</b>		<b>(134 804)</b>	<b>38 731</b>	<b>(96 073)</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>				
Capital Injections		321 580	-	<b>321 580</b>
Capital Distributions		(4 563)	-	<b>(4 563)</b>
Net Assets transferred in as part of an Administrative Restructure	41	1 364 100	-	<b>1 364 100</b>
Net Assets transferred in as part of Other Transfers <sup>1</sup>		93 909	-	<b>93 909</b>
Dividend Approved		(11 746)	-	<b>(11 746)</b>
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>		<b>1 763 280</b>	<b>-</b>	<b>1 763 280</b>
<b>Movement in the Asset Revaluation Surplus</b>				
Transfers of the Asset Revaluation Surplus to/(from) Accumulated Funds	39	(436 068)	436 068	-
<b>Total Movement in the Asset Revaluation Surplus</b>		<b>(436 068)</b>	<b>436 068</b>	<b>-</b>
<b>Balance at 30 June 2015</b>		<b>1 194 599</b>	<b>474 800</b>	<b>1 669 399</b>

This table may not add due to rounding.

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

<sup>1</sup> Net Assets Transferred in as part of Other Transfers relate to transfers during the year of childcare centres from the Education and Training Directorate (ETD), responsibility for administering outstanding home loans from the Home Loan Portfolio (HLP), and the Exhibition Park Corporation (EPC) to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) for reasons other than Administrative Arrangements (refer Note 1 (b), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2014-15').

Note 1: During 2014-15, there were several Administrative Arrangements (AAs) and other transfers, which had significant impacts on the Directorate's 2014-15 Original Budget and Actual results. More information on these transfers is included in Note 1(b), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2014-15'.

Note 2: The values in 'Transfers of the Asset Revaluation Surplus to/(from) Accumulated Funds' represents the Asset Revaluation Surplus transferred from other ACT Government directorates to CMTEDD following the AAs impacting the Directorate during the year. In practical terms, the Asset Revaluation Surpluses were transferred into CMTEDD via Accumulated Funds, then transferred to the Asset Revaluation Surplus.

**Chief Minister, Treasury and Economic Development Directorate**  
**Cash Flow Statement**  
**For the Year Ended 30 June 2016**

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Government Payment for Outputs		410 779	411 730	481 950
User Charges – Non-ACT Government		27 446	25 144	48 095
User Charges – ACT Government		222 426	298 962	243 013
Capital Works Receipts		346 524	563 912	335 353
Interest Received		1 880	2 315	1 983
Goods and Services Tax Input Tax Credits from the Australian Taxation Office (ATO)		76 375	76 562	15 759
Goods and Services Tax Collected from Customers		64 804	76 612	-
Other		6 258	3 766	2 996
<b>Total Receipts from Operating Activities</b>		<b>1 156 492</b>	<b>1 459 003</b>	<b>1 129 149</b>
<b>Payments</b>				
Employees		241 857	214 024	183 578
Superannuation		35 656	34 342	26 277
Supplies and Services		230 309	283 442	241 152
Borrowing Costs		1 524	2 245	1 900
Grants and Purchased Services				
Loose-Fill Asbestos Insulation Eradication Scheme (Scheme) Grants		114 236	65 411	227 576
Other		57 853	71 188	74 053
Capital Works		360 718	563 912	289 401
Cost of Goods Sold		4 971	-	-
Other Payments		-	42 729	-
Goods and Service Tax Remitted to the ATO		64 246	76 589	16 520
Goods and Services Tax Paid to Suppliers		80 636	76 472	-
Transfer of Territory Receipts to the ACT Government Scheme		370	-	-
Other		-	3 341	-
<b>Total Payments from Operating Activities</b>		<b>1 192 376</b>	<b>1 433 695</b>	<b>1 060 457</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	45	<b>(35 884)</b>	<b>25 308</b>	<b>68 692</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from the Sale of Assets				
Proceeds from Scheme Land Sales		5 860	53 080	-
Proceeds from Sale of Property, Plant and Equipment		1 463	361	650
Proceeds from Repayments of Loans Receivable		388	498	-
<b>Total Receipts from Investing Activities</b>		<b>7 711</b>	<b>53 939</b>	<b>650</b>
<b>Payments</b>				
Relating to Property, Plant and Equipment		29 679	27 825	22 245
Relating to Capital Works in Progress		155 334	258 476	79 515
Relating to Land and Intangibles				
Scheme Land		102 511	127 587	187 674
Other		20 871	25 457	9 277
Issue of Loan		-	62	1 328
<b>Total Payments from Investing Activities</b>		<b>308 395</b>	<b>439 407</b>	<b>300 039</b>
<b>Net Cash Inflows/(Outflows) from Investing Activities</b>		<b>(300 684)</b>	<b>(385 468)</b>	<b>(299 389)</b>

This table may not add due to rounding.

**Chief Minister, Treasury and Economic Development Directorate**  
**Cash Flow Statement - Continued**  
**For the Year Ended 30 June 2016**

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Capital Injections		285 707	426 766	321 580
Receipts of Transferred Cash Balances		352	-	33 715
Borrowings from the ACT Government		-	-	2 461
Borrowings from Other Financial Institutions		-	-	196
<b>Total Receipts from Financing Activities</b>		<b>286 059</b>	<b>426 766</b>	<b>357 952</b>
<b>Payments</b>				
Distributions to Government				
Scheme		4 971	51 712	-
Other		8 088	9 919	4 563
Dividends to the ACT Government		3 334	12 107	11 746
Repayment of Borrowings		684	50	-
Repayment of Finance Lease Liabilities		-	259	4 952
<b>Total Payments from Financing Activities</b>		<b>17 077</b>	<b>74 047</b>	<b>21 261</b>
<b>Net Cash Inflows/(Outflows) from Financing Activities</b>		<b>268 982</b>	<b>352 719</b>	<b>336 691</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(67 586)</b>	<b>(7 441)</b>	105 994
Cash and Cash Equivalents at the Beginning of the Reporting Period		112 523	35 198	6 529
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	45	<b>44 937</b>	<b>27 757</b>	<b>112 523</b>

This table may not add due to rounding.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

# Chief Minister, Treasury and Economic Development Directorate

## Summary of Directorate Output Classes

### For the Year Ended 30 June 2016

	Output Class 1 Government Strategy	Output Class 2 Financial and Economic Management	Output Class 3 <sup>1</sup> Revenue Management	Output Class 4 Shared Services ICT	Output Class 5 <sup>1</sup> Procurement and Capital Works	Output Class 6 Shared Services Human Resources	Output Class 7 Shared Services Finance	Output Class 8 <sup>2</sup> Economic Development	Output Class 9 Loose-Fill Asbestos Insulation Eradication	Output Class 10 <sup>3</sup> Access Canberra	Intra-Directorate Eliminations	Total
<b>2016</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Total Income	29 455	29 282	15 250	174 199	26 825	28 789	22 032	249 316	111 391	111 009	(87 979)	709 567
Total Expenses	34 129	33 824	15 824	168 118	29 733	28 248	19 637	380 924	66 048	95 621	(75 014)	797 092
<b>Operating Surplus/(Deficit)</b>	<b>(4 674)</b>	<b>(4 541)</b>	<b>(574)</b>	<b>6 081</b>	<b>(2 908)</b>	<b>540</b>	<b>2 395</b>	<b>(131 608)</b>	<b>45 343</b>	<b>15 388</b>	<b>(12 966)</b>	<b>(87 525)</b>
<b>2015</b>												
Total Income	29 944	28 508	14 801	144 342	23 245	27 976	16 861	228 546	256 969	42 738	(36 715)	777 216
Total Expenses	30 139	28 237	15 082	153 910	24 788	29 768	18 213	246 547	358 597	48 031	(41 295)	912 019
<b>Operating Surplus/(Deficit)</b>	<b>(195)</b>	<b>271</b>	<b>(281)</b>	<b>(9 568)</b>	<b>(1 543)</b>	<b>(1 791)</b>	<b>(1 352)</b>	<b>(18 001)</b>	<b>(101 628)</b>	<b>(5 293)</b>	<b>4 580</b>	<b>(134 803)</b>

This table may not add due to rounding.

<sup>1</sup> Output Class 3, 'Revenue and Government Business Management' and Output Class 5, 'Shared Services Procurement' were renamed in the 2015-16 Budget to 'Revenue Management' and 'Procurement and Capital Works', respectively.

<sup>2</sup> Following the AAs of 22 January 2016, the Arboretum was transferred from the Territory and Municipal Services Directorate (TAMSD) and Vocation Education and Training (VET) was transferred from the Education Directorate (ED) (formerly the Education and Training Directorate (ETD)).

<sup>3</sup> Output Class 10, 'Access Canberra', was established within the Directorate following the transfer of functions from the Health Directorate (HD), the Justice and Community Safety Directorate (JACSD), TAMSD and the Environment and Planning Directorate (EPD) as a result of the AAs of 15 December 2014.

Note 1: The income and expenses of each output class are reported inclusive of overhead allocations and internal transactions between output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are shown above as Intra-Directorate Eliminations, and are eliminated from the Directorate's Operating Statement.

Note 2: During 2015-16, there was an Administrative Arrangement (AA) change, which impacted the Directorate's 2015-16 Actual results. More information on these transfers is included in Note 1(a), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2015-16', and the 'Controlled Statement of Appropriation'.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 1**  
**Government Strategy**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 1, 'Government Strategy', included the provision of:

- advice and support to the Chief Minister, the Head of Service and the Director-General on strategic policy, including high priority reforms and effective delivery of Government policies and priorities;
- an employment and policy framework to support a professional, skilled and accountable public service that is responsive to the Government and the community;
- management of whole of government capacity building programs;
- advice to the Government concentrating on the relationship between employers and workers in the ACT and the risk arising from workplace activities, including: industrial relations, workplace safety, dangerous substances regulation, long service leave, public holidays and workers' compensation; and
- communications support and protocol services to the ACT Government and community.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	23 214	34 501	24 994
User Charges – Non-ACT Government	24	-	26
User Charges – ACT Government	5 622	4 657	4 372
Resources Received Free of Charge	520	425	399
Other Revenue	64	-	10
<i>Total Revenue</i>	29 444	39 583	29 802
<i>Gains</i>			
Other Gains	11	-	142
<i>Total Gains</i>	11	-	142
<b>Total Income</b>	<b>29 455</b>	<b>39 583</b>	<b>29 944</b>
<b>Expenses</b>			
Employee Expenses	19 487	19 089	16 946
Superannuation Expenses	2 834	3 498	2 525
Supplies and Services	7 812	13 957	5 156
Depreciation and Amortisation	890	722	1 008
Borrowing Costs	3	2	9
Grants and Purchased Services	2 641	2 577	2 686
Other Expenses	462	-	1 809
<b>Total Expenses</b>	<b>34 129</b>	<b>39 845</b>	<b>30 139</b>
<b>Operating Surplus/(Deficit)</b>	<b>(4 674)</b>	<b>(262)</b>	<b>(195)</b>

This table may not add due to rounding.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 2**  
**Financial and Economic Management**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 2, 'Financial and Economic Management', included the provision of:

- economic analysis and advice to the Government and agencies;
- management of Federal financial relations;
- accounting, financial framework, and insurance policy advice; and
- analysis, monitoring and reporting on major projects and the financial performance of agencies and the Territory's budget to assist the Government to achieve its policy objectives.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	27 300	33 794	26 013
User Charges – ACT Government	268	-	325
Interest	1 524	1 925	1 747
Resources Received Free of Charge	179	719	323
Other Revenue	11	26	55
<i>Total Revenue</i>	29 282	36 464	28 464
<i>Gains</i>			
Other Gains	-	-	43
<i>Total Gains</i>	-	-	43
<b>Total Income</b>	<b>29 282</b>	<b>36 464</b>	<b>28 508</b>
<b>Expenses</b>			
Employee Expenses	11 580	7 480	12 047
Superannuation Expenses	1 613	1 469	1 584
Supplies and Services	4 135	8 083	4 667
Depreciation and Amortisation	356	1 882	1 299
Borrowing Costs	1 525	1 925	1 748
Grants and Purchased Services	10 743	17 601	6 446
Other Expenses	3 871	-	446
<b>Total Expenses</b>	<b>33 824</b>	<b>38 440</b>	<b>28 237</b>
<b>Operating Surplus/(Deficit)</b>	<b>(4 541)</b>	<b>(1 976)</b>	<b>271</b>

This table may not add due to rounding.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 3**  
**Revenue Management**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 3, 'Revenue Management', included the provision of administration of the ACT Government's taxation revenue.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	13 098	12 549	13 044
User Charges – Non-ACT Government	2	-	5
User Charges – ACT Government	973	10	764
Interest	61	66	-
Resources Received Free of Charge	1 114	721	947
Other Revenue	2	298	41
<i>Total Revenue</i>	15 250	13 644	14 801
<b>Total Income</b>	<b>15 250</b>	<b>13 644</b>	<b>14 801</b>
<b>Expenses</b>			
Employee Expenses	9 421	7 830	8 024
Superannuation Expenses	1 380	1 316	1 400
Supplies and Services	4 220	3 043	4 073
Depreciation and Amortisation	57	124	287
Other Expenses	746	-	1 298
<b>Total Expenses</b>	<b>15 824</b>	<b>12 313</b>	<b>15 082</b>
<b>Operating Surplus/(Deficit)</b>	<b>(575)</b>	<b>1 331</b>	<b>(281)</b>

This table may not add due to rounding.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

Note 2: This Output Class was renamed from 'Revenue Management and Government Business' to 'Revenue Management' during the preparation of the 2015-16 Budget Statements.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 4**  
**Shared Services ICT**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 4, 'Shared Services ICT', included the provision of a complete range of ICT services to the Government, including infrastructure, applications support and ICT project services.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	10 945	14 064	9 469
User Charges – Non-ACT Government	-	42	-
User Charges – ACT Government	145 346	128 839	133 807
Interest	-	98	-
Resources Received Free of Charge	401	-	434
Other Revenue	2	341	632
<b>Total Revenue</b>	<b>156 694</b>	<b>143 384</b>	<b>144 342</b>
<i>Gains</i>			
Other Gains	17 506	-	-
<b>Total Gains</b>	<b>17 506</b>	<b>-</b>	<b>-</b>
<b>Total Income</b>	<b>174 199</b>	<b>143 384</b>	<b>144 342</b>
<b>Expenses</b>			
Employee Expenses	54 630	48 405	50 462
Superannuation Expenses	7 465	7 660	7 138
Supplies and Services	76 382	73 189	70 468
Depreciation and Amortisation	26 153	21 300	24 672
Borrowing Costs	22	8	16
Other Expenses	3 467	523	1 154
<b>Total Expenses</b>	<b>168 118</b>	<b>151 085</b>	<b>153 910</b>
<b>Operating Surplus/(Deficit)</b>	<b>6 081</b>	<b>(7 701)</b>	<b>(9 568)</b>

This table may not add due to rounding.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 5**  
**Procurement and Capital Works**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 5, 'Procurement and Capital Works', included the:

- provision of procurement activities on behalf of government directorates and agencies for infrastructure, capital works, goods and services, and advice to the Government on procurement and related construction industry policy;
- development and implementation of the Government's procurement related policies;
- administration of a range of pre-qualification schemes; and
- establishment and management of whole of government contracts.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	4 867	4 687	4 926
User Charges – Non-ACT Government	-	340	363
User Charges – ACT Government	21 547	43 609	17 846
Resources Received Free of Charge	367	316	110
Other Revenue	43	60	-
<i>Total Revenue</i>	26 825	49 012	23 245
<b>Total Income</b>	<b>26 825</b>	<b>49 012</b>	<b>23 245</b>
<b>Expenses</b>			
Employee Expenses	18 680	17 911	15 128
Superannuation Expenses	2 479	2 461	2 086
Supplies and Services	7 814	26 864	7 154
Depreciation and Amortisation	28	200	163
Borrowing Costs	2	14	-
Other Expenses	731	-	257
<b>Total Expenses</b>	<b>29 733</b>	<b>47 450</b>	<b>24 788</b>
<b>Operating Surplus/(Deficit)</b>	<b>(2 908)</b>	<b>1 562</b>	<b>(1 543)</b>

This table may not add due to rounding.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

Note 2: This Output Class was renamed from 'Shared Services Procurement', to 'Procurement and Capital Works' during the preparation of the 2015-16 Budget Statements.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 6**  
**Shared Services Human Resources**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 6, 'Shared Services Human Resources', included the provision of tactical and transactional human resource services to directorates and agencies.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	3 284	3 132	2 910
User Charges – ACT Government	23 496	23 848	23 065
Interest	125	146	123
Resources Received Free of Charge	177	-	164
Other Revenue	1 707	1 480	1 714
<i>Total Revenue</i>	<u>28 789</u>	<u>28 606</u>	<u>27 976</u>
<b>Total Income</b>	<u>28 789</u>	<u>28 606</u>	<u>27 976</u>
<b>Expenses</b>			
Employee Expenses	15 685	18 143	17 360
Superannuation Expenses	2 239	2 721	2 549
Supplies and Services	9 227	6 595	8 682
Depreciation and Amortisation	821	1 663	805
Borrowing Costs	42	3	7
Other Expenses	234	-	365
<b>Total Expenses</b>	<u>28 248</u>	<u>29 125</u>	<u>29 768</u>
<b>Operating Surplus/(Deficit)</b>	<u>540</u>	<u>(519)</u>	<u>(1 791)</u>

This table may not add due to rounding.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 7**  
**Shared Services Finance**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 7, 'Shared Services Finance', included the provision of tactical and transactional finance services to directorates and agencies as well as publishing services.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	1 787	1 213	1 327
User Charges – ACT Government	16 344	14 903	15 312
Resources Received Free of Charge	176	-	98
Other Revenue	2	-	124
<b>Total Revenue</b>	<b>18 309</b>	<b>16 116</b>	<b>16 861</b>
<i>Gains</i>			
Other Gains	3 722	-	-
<b>Total Gains</b>	<b>3 722</b>	<b>-</b>	<b>-</b>
<b>Total Income</b>	<b>22 032</b>	<b>16 116</b>	<b>16 861</b>
<b>Expenses</b>			
Employee Expenses	11 520	11 567	11 743
Superannuation Expenses	1 671	1 854	1 727
Supplies and Services	4 864	3 423	4 052
Depreciation and Amortisation	1 392	906	459
Borrowing Costs	26	-	5
Other Expenses	164	-	227
<b>Total Expenses</b>	<b>19 637</b>	<b>17 750</b>	<b>18 213</b>
<b>Operating Surplus/(Deficit)</b>	<b>2 395</b>	<b>(1 634)</b>	<b>(1 352)</b>

This table may not add due to rounding.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 8**  
**Economic Development**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 8, 'Economic Development', included the:

- development and provision of a range of policy and strategy advice, and legislation reviews and development to support the business units of the Directorate, specifically in relation to: business development, sport and recreation, tourism and events, arts and land development;
- provision and management of vocational education and training in the Territory;
- gaming and racing policy advice and legislation development in consultation with the Gambling and Racing Commission;
- leadership and coordination of the delivery of the Government's land supply strategy;
- delivery of programs, initiatives and business policy advice that promoted the economic development of the broader capital region, including universities, research organisations, commercialisation entities, business organisations and other government agencies;
- creation and implementation of a range of innovative tourism marketing and development programs, in partnership with local industry, national bodies and institutions, which aim to support the Territory's economic development through increased visitation to the ACT and region;
- supporting of Canberra's participation in organised sport and recreation through delivery of programs, facilities and pathways, including the provision of: support services to local high performance athletes, administration of grants and the delivery of education and training opportunities to maintain and enhance the capabilities of the community sport and recreation sector in the ACT;
- planning and delivery of new sporting infrastructure and the ongoing management and maintenance of the Territory's community sportsgrounds, aquatic/leisure and associated facilities;
- promotion and management of major events at venues including GIO Stadium, Exhibition Park in Canberra, Manuka Oval, Stromlo Forest Park and the Canberra Business Event Centre;
- management and delivery of major events such as Floriade, Floriade NightFest, the Enlighten Festival, New Year's Eve, Australia Day, Canberra Festival and the Canberra Nara Candle Festival;
- management of the National Arboretum Canberra;
- management of Territory-owned commercial buildings, government office accommodation, community/multipurpose buildings and leased commercial buildings on behalf of the Territory;
- supporting of the development of the arts, encouraging community participation in and access to the arts through supporting artistic excellence and diversity, strengthening the sustainability of the arts, and promoting the capacity for arts to contribute to social and economic outcomes; and
- delivering on a key priority of the Government – Urban Renewal – by driving economic activity to improve the liveability of our city, build on the character of our communities and deliver sustainable development.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 8**  
**Economic Development - Continued**  
**For the Year Ended 30 June 2016**

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	118 366	109 476	107 178
User Charges – Non-ACT Government <sup>1</sup>	14 810	19 765	16 692
User Charges – ACT Government <sup>1</sup>	95 997	77 636	99 012
Interest	60	86	113
Resources Received Free of Charge	813	-	520
Fees and Fines	128	-	-
Other Revenue	4 377	227	2 634
<b>Total Revenue</b>	<b>234 551</b>	<b>207 190</b>	<b>226 149</b>
<i>Gains</i>			
Other Gains	14 765	-	2 398
<b>Total Gains</b>	<b>14 765</b>	<b>-</b>	<b>2 398</b>
<b>Total Income</b>	<b>249 316</b>	<b>207 190</b>	<b>228 546</b>
<b>Expenses</b>			
Employee Expenses	38 545	32 171	35 287
Superannuation Expenses	5 298	5 164	4 648
Supplies and Services	134 065	106 228	134 055
Depreciation and Amortisation	42 028	43 426	37 407
Cost of Goods Sold	-	3 201	-
Borrowing Costs	1	223	93
Grants and Purchased Services	46 732	49 631	27 209
Other Expenses	114 255	553	7 848
<b>Total Expenses</b>	<b>380 924</b>	<b>240 597</b>	<b>246 547</b>
<b>Operating Surplus/(Deficit)</b>	<b>(131 608)</b>	<b>(33 407)</b>	<b>(18 001)</b>

This table may not add due to rounding.

<sup>1</sup> The 2014-15 figures have been amended to correct an error in the 2014-15 Annual Financial Statements (AFS). In the 2014-15 AFS, the ACT Government User Charges was incorrectly reported as Non-ACT Government User Charges, and vice versa.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

Note 2: Following the Administrative Arrangements (AAs) of 22 January 2016, the Arboretum was transferred from the Territory and Municipal Services Directorate (TAMSD) and Vocation Education and Training (now Skills Canberra) was transferred from the Education Directorate (ED) (formerly the Education and Training Directorate (ETD)).

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 9**  
**Loose-Fill Asbestos Insulation Eradication**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 9, 'Loose-Fill Asbestos Insulation Eradication', included the:

- provision of a coordinated and compassionate response to the lasting impacts of loose-fill asbestos in Canberra homes;
- provision of a single point of contact for those in the community affected by, or having concerns about, loose-fill asbestos;
- delivery of the Loose-fill Asbestos Insulation Eradication Scheme; and
- provision of technical and regulatory advice to Government and the community in relation to asbestos.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	110 307	123 561	256 840
User Charges – ACT Government	120	-	81
Interest	2	-	-
Resources Received Free of Charge	70	-	24
Land Revenue	-	9 572	-
Other Revenue	-	-	2
<b>Total Revenue</b>	<b>110 498</b>	<b>133 133</b>	<b>256 947</b>
<i>Gains</i>			
Other Gains	893	-	22
<b>Total Gains</b>	<b>893</b>	<b>-</b>	<b>22</b>
<b>Total Income</b>	<b>111 391</b>	<b>133 133</b>	<b>256 969</b>
<b>Expenses</b>			
Employee Expenses	5 752	6 663	5 769
Superannuation Expenses	783	1 181	580
Supplies and Services	10 634	9 706	16 221
Depreciation and Amortisation	75	52	-
Grants and Purchased Services	48 748	1 351	336 028
Other Expenses	56	41 257	-
<b>Total Expenses</b>	<b>66 048</b>	<b>60 210</b>	<b>358 597</b>
<b>Operating Surplus/(Deficit)</b>	<b>45 343</b>	<b>72 923</b>	<b>(101 628)</b>

This table may not add due to rounding.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

Note 2: Note 2(y), 'Loose-Fill Asbestos Insulation Eradication Scheme', and Note 2(hh)(viii), 'Significant Accounting Policies: Significant Accounting Judgements and Estimates', provide information regarding the accounting impacts and significant judgements made in relation to the activities of the Loose-Fill Asbestos Insulation Eradication Scheme.

**Chief Minister, Treasury and Economic Development Directorate**  
**Operating Statement for Output Class 10**  
**Access Canberra**  
**For the Year Ended 30 June 2016**

**Description**

During 2015-16, Output Class 10, 'Access Canberra', included:

- shaping the delivery of services around businesses, community groups and individuals seeking to engage with the ACT Government to enable a 'no wrong door' approach; and
- aiming to set a new benchmark for integrated and seamless service; with staff working together, and with the community, to support businesses to flourish while still providing the appropriate level of community protection.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	97 611	74 753	35 749
User Charges – Non-ACT Government	4 785	4 446	1 195
User Charges – ACT Government	4 478	2 820	1 746
Interest	110	-	-
Resources Received Free of Charge	598	815	544
Fees and Fines	-	-	-
Other Revenue	2 370	2 130	1 041
<i>Total Revenue</i>	109 951	84 964	40 276
<i>Gains</i>			
Other Gains	1 058	-	2 463
<i>Total Gains</i>	1 058	-	2 463
<b>Total Income</b>	<b>111 009</b>	<b>84 964</b>	<b>42 738</b>
<b>Expenses</b>			
Employee Expenses	51 103	46 087	24 911
Superannuation Expenses	6 915	6 905	3 703
Supplies and Services	32 064	28 025	13 006
Depreciation and Amortisation	2 320	2 953	888
Borrowing Costs	1	136	21
Grants and Purchased Services	1 707	710	912
Other Expenses	1 510	102	4 591
Transfer Expenses	-	3 341	-
<b>Total Expenses</b>	<b>95 621</b>	<b>88 259</b>	<b>48 031</b>
<b>Operating Surplus/(Deficit)</b>	<b>15 388</b>	<b>(3 295)</b>	<b>(5 293)</b>

This table may not add due to rounding.

Note 1: The income and expenses in this output class are reported inclusive of overhead allocations and internal transactions to and from other output classes. This method ensures each output class is measured at the full cost of the outputs. Transactions between output classes are eliminated from the Directorate's Operating Statement, and are summarised in the Intra-Directorate Eliminations column of the 'Summary of Directorate Output Classes'.

Note 2: Output Class 10, 'Access Canberra', was established within the Directorate following the transfer of functions from the Health Directorate (HD), the Justice and Community Safety Directorate (JACSD), the Territory and Municipal Services Directorate (TAMSD) and the Environment and Planning Directorate (EPD) as a result of the Administrative Arrangements (AAs) of 15 December 2014.

**Chief Minister, Treasury and Economic Development Directorate**  
**Controlled Statement of Appropriation**  
**For the Year Ended 30 June 2016**

	Original Budget 2016 \$'000	Total Appropriated 2016 \$'000	Appropriation Drawn 2016 \$'000	Appropriation Drawn 2015 \$'000
<b>Controlled</b>				
Government Payment for Outputs (GPO) (including Community Service Obligation Payments)	411 730	501 620	410 779	481 951
<i>Capital Injections</i>				
- Equity from Government	424 878	484 382	285 707	320 380
- Loan (ACT Government Borrowing)	1 888	1 888	-	1 200
<i>Total Capital Injections</i>	426 766	486 270	285 707	321 580
<b>Total Controlled Appropriation</b>	<b>838 496</b>	<b>987 890</b>	<b>696 486</b>	<b>803 531</b>

This table may not add due to rounding.

The above Controlled Statement of Appropriation should be read in conjunction with the accompanying notes.

**Column Heading Explanations**

The *Original Budget* column shows the amounts that appear in the Changes to Appropriation tables in the 2015-16 Budget Statements. These amounts also appear in the Cash Flow Statement of the Directorate.

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 Directorate during the year. This amount appears in the Cash Flow Statement.

The following table and associated footnotes explain the movements between:

- the Original Budget and the Total Appropriated; and
- the Total Appropriated and the Appropriation Drawn.

**Reconciliation of Appropriation Table 2015-16**

	Government Payments for Outputs \$'000	Capital Injections Equity from Government \$'000	Loans \$'000	Total \$'000
<b>Original Budget</b>	<b>411 730</b>	<b>424 878</b>	<b>1 888</b>	<b>426 766</b>
<i>Changes in Appropriation during 2015-16</i>				
s14 - Transfer of Funds Between Appropriations <sup>1</sup>	(9 370)	5 800	-	5 800
s16 - Transfer of Functions after Appropriation Act Passed <sup>2</sup>	27 693	940	-	940
s16A - Appropriation for Accrued Employee Entitlements <sup>3</sup>	-	2 506	-	2 506
s16B - Rollover of Undispersed Appropriation <sup>4</sup>	61 673	50 258	-	50 258
s18 - Treasurer's Advance <sup>5</sup>	9 894	-	-	-
<i>Total Change in Appropriation during 2015-16</i>	89 890	59 504	-	59 504
<b>Total Appropriated</b>	<b>501 620</b>	<b>484 382</b>	<b>1 888</b>	<b>486 270</b>
Undrawn Funds <sup>6</sup>	(90 841)	(198 675)	(1 888)	(200 563)
<b>Total Appropriation Drawn</b>	<b>410 779</b>	<b>285 707</b>	<b>-</b>	<b>285 707</b>

This table may not add due to rounding.

# Chief Minister, Treasury and Economic Development Directorate

## Controlled Statement of Appropriation - Continued

### For the Year Ended 30 June 2016

#### Variances between 'Original Budget' and 'Total Appropriated'

<sup>1</sup> Several appropriation transfers impacted Government Payment for Outputs (GPO) and Capital Injections during 2015-16.

The GPO transfers comprised:

- the following transfers from GPO to Capital Injections:
  - \$7.233 million for the Loose-Fill Asbestos Insulation Eradication Scheme, to fund costs associated with demolition works; and
  - \$2.787 million for the iConnect and Digital Dividend Investment Strategy and Transformational Service Delivery projects, to reflect the capital nature of the project expenditure;

partially offset by:

- the following transfers to GPO from Capital Injections:
  - \$0.4 million for the Office Accommodation project, to undertake a feasibility study; and
  - \$0.250 million for the Human Resources Information Management System (HRIMS) Upgrade, to allow for a review of the project.

The Capital Injections transfers comprised:

- the following transfers to Capital Injections from GPO:
  - \$7.233 million for the Loose-Fill Asbestos Insulation Eradication Scheme, to fund costs associated with demolition works; and
  - \$2.787 million for the iConnect and Digital Dividend Investment Strategy and Transformational Service Delivery projects, to more appropriately reflect the nature of the project expenditure;

partially offset by:

- \$2.8 million being transferred to the Territory and Municipal Services Directorate (TAMSD) to facilitate the extension of Constitution Avenue to Vernon Circle;
- the following transfers from Capital Injections to GPO:
  - \$0.4 million for the Office Accommodation project, to undertake a feasibility study; and
  - \$0.250 million for the HRIMS Upgrade, to allow for a review of the project; and
- \$0.770 million being transferred from Capital Injections to Payments for Expenses on Behalf of the Territory (EBT) appropriation to cover the remaining expenditure required under the First Home Owners' Grant Scheme for 2015-16.

<sup>2</sup> On 22 January 2016, *Administrative Arrangements 2014 (No 1)* (Notifiable Instrument NI2016-41) (AA) came into effect, which transferred responsibility for the Arboretum from TAMSD and Vocational Education and Training from the Education Directorate (ED) to CMTEDD. The amounts transferred associated with this AA were:

- \$26.064 million in GPO from ED with Vocational Education and Training; and
- \$1.629 million in GPO and \$0.940 million in Capital Injections from TAMSD with the Arboretum.

<sup>3</sup> Additional funding was received to enable the payment of accumulated long service employee entitlements taken or paid out during the 2015-16 financial year.

<sup>4</sup> GPO and Capital Injections appropriation was rolled from 2014-15 to 2015-16. The rollovers relate to 11 GPO funded projects and over 100 Capital Injections funded projects, and largely result from either delays in the progression, or timing associated with the development, of projects. Of these rollovers, the most significant relate to the Loose-Fill Asbestos Insulation Eradication Scheme, where \$55.116 million in GPO and \$42.2 million in Capital Injections funding was rolled over due to delays in the acquisition of properties by the Territory under the Scheme.

<sup>5</sup> Treasurer's Advance funding was received during the year to meet cash requirements for a variety of unbudgeted activities, including:

- higher than anticipated sportsground irrigation costs (\$2.143 million);
- support for international sporting events (\$1.410 million);
- unexpectedly high demand for Working with Vulnerable People checks resulting from the implementation of the *Working with Vulnerable People (Background Checking) Act 2011* (\$1.167 million); and
- to meet cash requirements for annual leave entitlements (\$1.774 million).

**Chief Minister, Treasury and Economic Development Directorate**  
**Controlled Statement of Appropriation - Continued**  
**For the Year Ended 30 June 2016**

**Variances between 'Total Appropriated' and 'Appropriation Drawn'**

- <sup>6</sup> Funds remaining undrawn as at 30 June 2016 represent anticipated rollovers to 2016-17 and future years (out to as far as 2019-20), as well as savings in Capital Injections across a range of capital works projects (\$34 million) and the remaining undrawn appropriation relating to the Community Housing Canberra loan facility (\$2 million). The undrawn funding associated with rollovers relates to around 34 GPO appropriated projects and around 50 Capital Injections funded projects. Of these projects, the most significant rollovers relate to the Loose-Fill Asbestos Insulation Eradication Scheme, with an estimated rollover of \$55.059 million in GPO appropriation and \$74.177 million in Capital Injections appropriation, which reflects the later than estimated acquisition of asbestos affected properties and the associated building demolition and land remediation under the Scheme.

# Chief Minister, Treasury and Economic Development Directorate

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### For the Year Ended 30 June 2016

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

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 1. OBJECTIVES OF THE CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

##### a) Administrative Restructuring During 2015-16

*Administrative Arrangements 2016 (No 1)* (Notifiable Instrument NI2016-41) (AA) came into effect on 22 January 2016, which transferred responsibility for the Arboretum from the Territory and Municipal Services Directorate (TAMSD) and Vocation Education and Training from the Education Directorate (ED) to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). This AA impacted the operations of CMTEDD and its financial results and position reported for 2015-16.

##### b) Administrative Restructuring During 2014-15

During 2014-15, in addition to the Directorate changing its name from the Chief Minister and Treasury Directorate (CMTD) to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD), the following Administrative Arrangements (AA) and other transfers significantly impacted the operations of CMTEDD and its financial results and position reported for 2014-15.

- i. *Administrative Arrangements 2014 (No 1)* (Notifiable Instrument NI2014-310) came into effect on 7 July 2014. The Economic Development Directorate (EDD) and Commerce and Works Directorate (CWD) were transferred to CMTEDD, along with Community Facilities and artsACT from the Community Services Directorate (CSD) and ACT Property Group from the Territory and Municipal Services Directorate (TAMSD). In most cases, these transfers have minimal impact on the variations between the reported 2014-15 and 2015-16 Actual figures. Where there is a significant impact, this is mentioned in the related note to these financial statements.
- ii. *Administrative Arrangements 2014 (No 2)* (Notifiable Instrument NI2014-654) came into effect on 15 December 2014, which resulted in the transfer of functions from the Health Directorate (HD), the Justice and Community Safety Directorate (JACSD), TAMSD and the Environment and Planning Directorate (EPD) to CMTEDD to enable the establishment of Access Canberra.
- iii. The functions of the former Exhibition Park Corporation were also transferred to CMTEDD on 1 January 2015, following the repeal of the *Exhibition Park Corporation Act 1976*.
- iv. Other transfers include:
  - childcare centres being transferred from the then Education and Training Directorate (ETD), effective from 1 February 2015; and
  - the responsibility for administering outstanding home loans being transferred from the Home Loan Portfolio (HLP) to CMTEDD, effective from 30 June 2015, following the winding up of HLP.

The financial impact of the above AAs and other transfers is reflected in the notes to these financial statements where applicable.

##### c) Operations and Principal Activities

The Directorate provides strategic financial and economic policy advice to the ACT Government with the aim of improving the Territory's financial position and economic management.

The Directorate plays a lead role in promoting accountability and transparency in the delivery of services to the community. This is achieved through sound financial policies, management practices and analysis.

As a key central agency of the ACT Government, the Directorate provides strategic advice to the ACT Government on policy development, service delivery and whole of government issues.

During 2015-16, the Directorate's objectives included:

- building coordinated and integrated policy development and service delivery across government;
- supporting informed decision making by the ACT Government;
- maintaining the right workforce;

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 1. OBJECTIVES OF THE CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE - CONTINUED**

**c) Operations and Principal Activities - Continued**

- improving satisfaction with community engagement;
- managing the Territory's finances appropriately;
- maintaining a strong balance sheet;
- achieving value for money;
- improving the customer satisfaction and service;
- reducing red tape and improving effective regulation;
- achieving higher than national average participation in sport and physical recreation;
- growing the value of Tourism;
- growing innovation, trade and investment;
- coordinating effective regulation and enforcement; and
- managing the delivery of the Loose-Fill Asbestos Insulation Eradication Scheme.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Preparation**

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

The FMA and the *Financial Management Guidelines* issued under the FMA, requires the Directorate's financial statements to include:

- i. an Operating Statement for the reporting period;
- ii. a Balance Sheet at the end of the reporting period;
- iii. a Statement of Changes in Equity for the reporting period;
- iv. a Cash Flow Statement for the reporting period;
- v. a Statement of Appropriation for the reporting period;
- vi. an Operating Statement for each class of output for the reporting period;
- vii. the significant accounting policies adopted for the reporting period; and
- viii. such other statements as are necessary to fairly reflect the financial operations of the Directorate during the reporting period and its financial position at the end of the reporting period.

These general-purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. The financial statements have been prepared in accordance with:

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

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**a) Basis of Preparation - Continued**

As at 30 June 2016, the Directorate's current assets are insufficient to meet its current liabilities. The Balance Sheet shows that the Directorate's current liabilities of \$311.4 million exceed its current assets of \$232.3 million by \$79.1 million. However, this is not considered a liquidity risk as its cash needs are funded through appropriation from the ACT Government on a cash-needs basis. This is consistent with the whole of government cash management regime, which requires excess cash balances to be held centrally rather than within individual directorate bank accounts.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for assets such as those included in assets held for sale, investment properties, property, plant and equipment and financial instruments which were valued at fair value in accordance with the re/valuation policies applicable to the Directorate during the reporting period.

Fair value is the price that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using the market approach, the cost approach or the income approach valuation technique as appropriate. In estimating the fair value of an asset or liability, the Directorate takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

For disclosure purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the significance of the inputs to the fair value measurement and the extent to which the inputs to the valuation techniques used are observable. 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 Directorate 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.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs) that are unobservable for particular assets or liabilities.

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

The Directorate is an individual reporting entity.

**b) Controlled and Territorial Items**

The Directorate produces Controlled and Territorial financial statements. The Controlled financial statements include income, expenses, assets and liabilities over which the Directorate has control. The Territorial financial statements include income, expenses, assets and liabilities that the Directorate 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 Directorate'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 in Note 2(a) above applies to both Controlled and Territorial financial statements except where specified otherwise.

**c) The Reporting Period**

These financial statements disclose the financial performance, changes in equity and cash flows of the Directorate for the year ended 30 June 2016, together with the financial position of the Directorate as at 30 June 2016.

# Chief Minister, Treasury and Economic Development Directorate

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

##### c) The Reporting Period - Continued

During the reporting period, various administrative restructures impacted the actual results for 2015-16 compared to those reported in 2014-15. The impacts affecting the 2015-16 financial year are summarised in Note 1(a), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2015-16' and the impacts affecting the 2014-15 financial year are summarised in Note 1(b), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2014-15'. Additional information on restructuring impacting 2015-16 can be found in the 'Controlled Statement of Appropriation' and 'Territorial Statement of Appropriation'.

##### d) Comparative Figures

###### *Budget Figures*

To facilitate a comparison with the budget, as required by the *Financial Management Act 1996* (FMA), budget information for 2015-16 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the 2015-16 Budget Statements.

###### *Prior Year Comparatives*

Comparative information has been disclosed in respect of the previous period for amounts reported in the 2014-15 Chief Minister, Treasury and Economic Development Directorate (CMTEDD) financial statements, which include a part year impact of the Administrative Arrangements (AAs) that impacted the Directorate during 2014-15 and 2015-16.

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.

In addition to identifying where variances between the reported 2014-15 and 2015-16 figures have been impacted by the AAs and other transfers, additional explanatory information has also been included in the notes where considered relevant.

##### e) Abbreviations

The following abbreviations are used throughout these financial statements.

AAs	Administrative Arrangements
ACT or Territory	Australian Capital Territory
ACTIA	ACT Insurance Authority
ACTPS	ACT Public Service
ACVL	Australia Capital Ventures Limited
AFS	Annual Financial Statements
ANU	Australian National University
ATO	Australian Taxation Office
CBDF	Canberra Business Development Fund
CBEC	Canberra Business and Events Centre
CHC	Community Housing Canberra
CMTEDD or the Directorate	Chief Minister, Treasury and Economic Development Directorate
CSC	Commonwealth Superannuation Corporation
CSD	Community Services Directorate
CSS	Commonwealth Superannuation Scheme
CWD	Commerce and Works Directorate (ceased operations on 6 July 2014)
DIF	Default Insurance Fund
EBT	Payment for Expenses on Behalf of the Territory (Territorial appropriation/funding)
ED (formerly ETD)	Education Directorate (name changed from Education and Training Directorate on 22 January 2016)

# Chief Minister, Treasury and Economic Development Directorate

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

##### e) Abbreviations - Continued

EDD	Economic Development Directorate (ceased operations on 6 July 2014)
EPC	Exhibition Park Corporation (ceased operations on 31 December 2014)
EPD	Environment and Planning Directorate
EPIC	Exhibition Park in Canberra
FAGs	Financial Assistance Grants
FBT	Fringe Benefits Tax
FHOG	First Home Owners' Grant
FMA	<i>Financial Management Act 1996</i>
GAAP	Generally Accepted Accounting Principles
GST	Goods and Services Tax
GPO	Government Payment for Outputs (Controlled appropriation/funding)
HD	Health Directorate
HLP	Home Loan Portfolio (ceased operations on 30 June 2015)
HR	Human Resources
HRMS	Human Resources Management System
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standard
JACSD	Justice and Community Safety Directorate
LDA	Land Development Agency
LVR	Loan to Value Ratio
NAC	National Arboretum Canberra
NHR	National Health Reform
NPP	National Partnership Payment
NRP	National Reform Payments
ORS	Office of Regulatory Services
PPE	Property, Plant and Equipment
PPP	Public Private Partnership
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation Scheme Accumulation Plan
SPA	Superannuation Provision Account
SPP	Specific Purpose Payment
TA	Treasurer's Advance
TAA	<i>Taxation Administration Act 1999</i>
TAMSD	Territory and Municipal Services Directorate
TBA	Territory Banking Account
VET	Vocational Education and Training

##### f) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of the “-” symbol represents zero amounts or amounts rounded up or down to zero. Some totals throughout this report may not add due to rounding.

##### g) Revenue Recognition

The Directorate's main sources of revenue are User Charges (refer Note 6, 'User Charges') and Government Payment for Outputs (refer Note 4, 'Government Payment for Outputs'). Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. In addition, the following specific recognition criteria must also be met before revenue is recognised.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**g) Revenue Recognition - Continued**

*Government Payment for Outputs and Payment for Expenses on Behalf of the Territory*

Government Payment for Outputs and Payments for Expenses on Behalf of the Territory are recognised as revenues when the Directorate gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

*Taxes, Fees and Fines*

Taxes are recognised as revenue when an assessment is raised. Payroll tax revenue is recognised in the period the return relates to. Fees are either recognised as revenue at the time of payment or when the fee is incurred. Fines are recognised as revenue on the issue of the relevant infringement notice. Where the fine attracts a penalty for late payment, the penalty amount is recognised as revenue on issue of the late payment notice.

*Dividends*

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

*Commonwealth Government Grants*

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

*User Charges – Sale of Goods*

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

*User Charges – Provision of Services*

User charges revenue from the provision of services is recognised when the stage of completion of the transaction at the reporting date can be measured reliably and the costs of rendering those services can be measured reliably.

*User Charges – Extension of Time to Build Fee*

The Directorate regulates leases over Crown land in the ACT. These leases may include covenants that require the lessee to 'commence and complete' construction of a building or development on the land within a specified period of time. Lessees are required to apply for an 'extension of time to build' under the *Planning and Development Act 2007* if they exceed these covenants. Fees for an extension of time are payable according to the period of extension requested or are calculated on the number of days in breach.

The Directorate also calculates the fees outstanding for lessees that have not made an application for an extension of time. These fees are recognised from the date of the breach of a lease covenant.

*User Charges – Rental Revenue*

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

*Interest*

Interest revenue is recognised using the effective interest method.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**g) Revenue Recognition - Continued**

*Land Revenue*

The Directorate receives both controlled and territorial land revenue. Controlled land revenue relates to the sale of land remediated under the Loose-Fill Asbestos Insulation Eradication Scheme, and territorial land revenue comprises both the gross proceeds from the sale of land rent blocks and rent received on leased land rent blocks. Refer to Note 2(y), 'Loose-Fill Asbestos Insulation Eradication Scheme', on controlled land revenue, and Note 55, 'Land Revenue – Territorial', for more information.

*Revenue Received in Advance*

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

**h) Resources Received and Provided Free of Charge**

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

**i) Repairs and Maintenance**

The Directorate undertakes major cyclical maintenance on its infrastructure assets. Where the maintenance leads to an upgrade of the asset, and increases the service potential of the existing infrastructure asset, the cost is capitalised. Maintenance expenses, which do not increase the service potential of the asset are expensed.

**j) Borrowing Costs**

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

**k) Waivers of Debt**

Debts that are waived under section 131 of the *Financial Management Act 1996* (FMA) are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed at Note 17, 'Waivers, Impairment Losses and Write-offs', and Note 61, 'Waivers, Impairment Losses and Write-offs - Territorial'.

**l) Administrative Restructures**

Amounts recognised as an increase or decrease in net assets from administrative restructures are recognised directly in equity where control over assets and liabilities is transferred to or from the Directorate as a result of a Government restructuring administrative arrangements.

**m) Current and Non-Current Items**

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or when the Directorate does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**n) Impairment of Assets**

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

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

**o) Cash and Cash Equivalents**

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 cash flow statement, but in the Balance Sheet are included in Note 32, 'Bank Overdraft', rather than Cash and Cash Equivalents.

**p) Receivables**

Receivables (including trade receivables and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

*Territorial Trade Receivables*

The Directorate's territorial trade receivables arise from the collection of general rates, duties, rents, levies, fees, fines, payroll tax and income tax equivalents. These are generally due within 30 days after the issue of the notice and/or assessment letters unless other due dates are specified in the notice/assessment letter. In the event of a tax default by taxpayers, under Section 25 of the *Taxation Administration Act 1999* (TAA), the taxpayer is liable to pay interest on the overdue amount. The interest is charged according to Section 26 of the TAA, which is the sum of the market and premium rate, except for rates, land rent and land tax. Rates, land rent and land tax interest is charged according to the relevant legislation.

In some cases, the Directorate enters into arrangements (such as deferred payment or use of payment plans) with some taxpayers under Section 52 of the TAA when payment is not received by the due date.

Territorial receivables also include the value of dividends declared by dividend paying ACT Government agencies that have not been received during the year of declaration.

Other trade receivables for the Directorate includes the balance due on the Human Resource Management System (HRMS) salaries bank account. The balance due arises when there is a shortfall between the HRMS salaries bank account and the HRMS \$1 million float.

Unless other arrangements apply for specific types of receivables (see below), the allowance for impairment losses represents the amount of trade receivables and other trade receivables the Directorate estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. The Directorate considers the following is objective evidence of impairment:

- becoming aware of financial difficulties of debtors;
- default payments;
- debts more than 90 days overdue;
- unsecured; or
- outstanding objections and appeals.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**p) Receivables - Continued**

*Allowance for Impairment Losses*

The allowance for impairment losses for the Directorate's territorial receivables is determined by whether the debt is a secured or an unsecured debt. Land tax, general rates and land rent are secured against the property to which they relate, so the Directorate estimates that all outstanding receivables will be paid on these secured receivables. The allowance for impairment losses for unsecured debts, including payroll tax, duties, First Home Owner's Grant and levies is mainly based on an assessment of the likelihood of bankruptcy and past write-offs.

The amount of the allowance is recognised in the Operating Statement (Statement of Assets and Liabilities on Behalf of the Territory for territorial impairments). The allowance for impairment losses are written-off against the allowance account when the Directorate ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

*Community Housing Canberra (CHC) Loans Receivable*

The Directorate's receivables include a \$50 million loan established under an agreement between CHC and the Territory (represented by CMTEDD) in 2007-08. The loan facility is to be used by CHC mainly to increase the supply of affordable housing properties available for sale to or for rent by eligible participants, as listed under the 'Permitted Purposes Schedule' to the Loan Agreement.

Interest is calculated on the outstanding daily balance of the loan at the applicable interest rate and is due from the borrower quarterly in arrears.

Repayment of the principal of the loan will not commence until 2018. Accordingly, the principal amount of the loan drawn at year-end is classified as non-current.

An additional \$20 million loan was provided to CHC in 2011-12. This additional loan builds on the existing \$50 million loan. As with the existing loan, interest is calculated at the applicable interest rate and is due from the borrower quarterly in arrears. Principal repayments on the new loan will commence in 2021. This loan is not a revolving facility (unlike the existing \$50 million loan) as it relates specifically to 90 properties in the suburbs of Crace, Bruce and Bonner.

*Home Loan Portfolio Loans (HLP) Receivable*

As a result of the transfer of the HLP to CMTEDD on 30 June 2015, the Directorate's receivables also include the balance of home loans provided to low-income households to assist them in achieving home ownership. HLP loans are provided at a variable rate of interest, which has been aligned with the Commonwealth Bank of Australia's Standard Variable Rate. The monthly instalment amounts are made up of both principal and interest amounts, and the terms of the loans vary between borrowers. Households with a HLP loan are able to access financial assistance which enables them to pay a reduced amount of interest and/or pay the loan off over a longer term.

The allowance for impairment losses on HLP loans represents the amount of loans receivable the Directorate estimates will not be repaid. The Directorate determines the allowance for impairment loss based on the:

- level of impairment of mortgages;
- loan to value ratio (LVR);
- interest coverage; and
- rate of repayment.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**q) Investments**

The Territory holds an equal (50%/50%) investment with Australian Capital Ventures Limited (ACVL) in the Canberra Business Development Fund (CBDF). The CBDF is a unit trust whose principal activity is to invest in the equity of early stage businesses carrying out activities providing potential benefits to the Canberra region. This investment is accounted for as a Territorial investment (refer Note 70, 'Investments - Territorial').

The investment has been designated as a 'Financial Asset at Fair Value through Profit and Loss'. This asset is measured at fair value with any adjustments to the carrying amount going to the Statement of Income and Expenses on Behalf of the Territory. Fair value is based on net assets attributable to the Directorate as a unit holder of the trust. The net assets attributable to the Directorate largely consist of investments in listed and unlisted entities. The fair value of listed investments is determined by the current share market for those entities. The fair value of investments in unlisted entities is determined by recent 'arm's length' transactions for a reasonable quantity of securities (e.g. security issue or transfer) or by valuation provided by the directors of the CBDF if the book value of the entity is deemed inappropriate.

**r) Inventories**

The Directorate's controlled inventories comprise tourism merchandise held for sale at the Canberra Region Visitor's Centre. Territorial inventories represent land held under the Land Rent Scheme, which is about to be purchased outright by lessees or surrendered by lessees.

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

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

Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

**s) Assets Held for Sale**

The Directorate's assets held for sale include land remediated under the Loose-Fill Asbestos Insulation Eradication Scheme. Refer to Note 2(y), 'Loose-Fill Asbestos Insulation Eradication Scheme', for more information.

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

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. Assets held for sale are not depreciated.

**t) Acquisition and Recognition of Property, Plant and Equipment**

Property, plant and equipment is initially recorded at cost.

Where property, plant and equipment is 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.

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

**u) Measurement of Property, Plant and Equipment after Initial Recognition**

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

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**u) Measurement of Property, Plant and Equipment after Initial Recognition - Continued**

Fair value for land and non-specialised buildings is measured using the market approach valuation technique and uses prices and other relevant information generated by market transactions involving identical or similar assets.

Fair value for specialised land improvements buildings, infrastructure assets, leasehold improvements, plant and equipment and some community and heritage assets is measured by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. depreciated replacement cost. This is the cost approach valuation technique. For other community and heritage assets, fair value is measured using the market approach valuation technique.

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

Information regarding the last valuations of property, plant and equipment assets is provided in Note 28, 'Property, Plant and Equipment', and Note 71, 'Property, Plant and Equipment - Territorial'.

**v) Investment Properties**

The Directorate currently has two investment properties, and they are measured at fair value. The fair value of the investment properties are determined annually, with the last independent valuation undertaken by Opteon (ACT) Pty Ltd in June 2016. Changes in fair values are recorded in the Operating Statement. Investment properties are not depreciated.

**w) Intangible Assets**

The Directorate's intangible assets include internally generated and externally acquired software for internal use.

Externally acquired software is recognised and capitalised when:

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

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

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

Externally purchased other intangible assets is a licence agreement to occupy the Canberra Business and Events Centre (CBEC), which is amortised on a straight-line basis over a period of 20 years.

Intangible assets are measured at cost.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**x) Depreciation and Amortisation of Non-Current Assets**

Non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued, it is depreciated/amortised over its newly assessed remaining useful life. Amortisation is used in relation to intangible assets, while depreciation is applied to physical assets such as buildings and plant and equipment.

Land and some Community and Heritage assets have an unlimited useful life, so are therefore not depreciated.

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

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

<b>Class of Asset</b>	<b>Depreciation/Amortisation Method</b>	<b>Useful Life (Years)</b>
Buildings and Land Improvements	Straight Line	10-99
Leasehold Improvements	Straight Line	2-10
Plant and Equipment	Straight Line	2-20
Infrastructure	Straight Line	3-100
Externally Purchased Intangibles	Straight Line	2-20
Internally Generated Intangibles	Straight Line	2-5
Community and Heritage *	Straight Line	5-60

\* Heritage assets are not depreciated.

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

**y) Loose-Fill Asbestos Insulation Eradication Scheme**

On 28 October 2014, the Government announced the implementation of a buyback scheme for all ACT houses affected by loose-fill asbestos (Mr Fluffy) insulation. Under the Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme), the Government will acquire, demolish and safely dispose of all affected homes, remediate affected blocks and then resell them to partially offset the overall cost of the Scheme.

\$1 billion has been allocated over 6 financial years to purchase, remediate and sell asbestos affected land, and undertake a range of administrative tasks associated with the Scheme. This amount will be partly offset by the resale of remediated land. The estimated net cash cost of the Scheme is approximately \$370 million.

The Commonwealth Government provided the ACT with a \$1 billion loan for a 10 year term. The ACT Government will, however, incur the full net cost of the Scheme as well as the interest costs on the Commonwealth loan.

Additional information on the Scheme and the activities of the Asbestos Response Taskforce is provided in Volume 1 of the Directorate's 2015-16 Annual Report, and can also be found on the Taskforce's website (<http://www.asbestostaskforce.act.gov.au/>).

Information included in the Directorate's financial statements relating to the Scheme is as follows.

- The Statement of Changes in Equity: Capital Distributions: Loose-Fill Asbestos Insulation Eradication, shows the amount of cash transferred to the Territory Banking Account (TBA) for the portion of sale proceeds that cover the value of the Scheme Land sold, unless the Scheme Land sells at a loss, in which case the amount recorded represents the deposit plus the cash received on sale, less the direct costs of sale.
- The Operating Statement for Output Class 9, 'Loose-Fill Asbestos Insulation Eradication', shows revenue and expenses for the Scheme for 2015-16 and 2014-15.
- Note 8, 'Resources Received and Provided Free of Charge', identifies the value of title and document search fees provided free of charge to third parties for activities associated with the Scheme.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**y) Loose-Fill Asbestos Insulation Eradication Scheme - Continued**

- Note 10, 'Other Gains', shows the net gain from the sale of remediated land associated with the Scheme.
- Note 15, 'Grants and Purchased Services', shows the expense portion of the property purchases.
- Note 18, 'Other Expenses', identifies the amount of financial assistance paid under the Scheme to homeowners and other affected residents.
- Note 19, 'Transfers to Government', records the amount of cash transferred to the TBA for the portion of the sales proceeds that exceed the value of the Scheme Land sold, less the direct costs of sale.
- Note 25, 'Assets Held for Sale', shows the carrying value of Scheme Land available for sale following building demolition and land remediation, less impairment costs.
- Note 27, 'Loose-Fill Asbestos Insulation Eradication Scheme Land', shows the value of Scheme Land acquired for the purpose of building demolition and land remediation, along with a reconciliation of the movements in the value of Scheme Land.
- Note 37, 'Other Provisions', provides the value of property purchases opted into, but not settled at the end of the reporting period, and the estimated value of building demolition and land remediation on those sites.
- Note 38, 'Other Liabilities', discloses as Revenue Received in Advance (RRIA) the total value of deposits held as at 30 June 2016 relating to active property sales processes.
- Note 40, 'Disaggregated Disclosure of Assets and Liabilities', discloses assets and liabilities associated with the Scheme in the column for Output Class 9.
- Note 44, 'Guarantees, Contingent Liabilities and Contingent Assets', provides the likely financial impact associated with property settlements where homeowners had opted-into the Scheme by 30 June 2015, and 30 June 2016, but had not settled by these dates.
- Note 2(hh)(viii), 'Significant Accounting Judgements and Estimates: Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme)', provides information about the significant judgements and estimates made with respect to transactions associated with the Scheme.

The following information outlines the timing and nature of the significant accounting transactions relating to the administration of the Scheme.

- When homeowners opt into the Scheme:
  - a Capital Grants Expense and Other Provision (refer Note 15, 'Grants and Purchased Services', and Note 37, 'Other Provisions') is recognised for the difference between the agreed purchase price and the estimated value of the uncontaminated land (less the anticipated cost of building demolition and land remediation);
  - a Contingent Asset (refer Note 44, 'Guarantees, Contingent Liabilities and Contingent Assets') is recorded to recognise that the Directorate will have contaminated Scheme Land assets when settlement occurs; and
  - a Contingent Liability and Contingent Asset (refer Note 44, 'Guarantees, Contingent Liabilities and Contingent Assets') is recorded for the estimated value of demolishing the building/s on the properties and remediating the land after settlement has occurred.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**y) Loose-Fill Asbestos Insulation Eradication Scheme - Continued**

- When settlement of property purchases from home owners occur:
  - a Scheme Land asset is recognised for the difference between the agreed purchase price and the estimated value of the uncontaminated land (less the anticipated cost of building demolition and land remediation), and the associated Contingent Asset balance recorded at the opt in stage is removed;
  - the value of the Other Provision at opt in stage relating to the purchase of the asbestos affected property is removed; and
  - the Contingent Liability and Contingent Asset relating to the estimated value of the property demolition and land remediation is removed and an equivalent value is recorded as an Other Provision and an increase in the Scheme Land asset.
- As building demolition and land remediation is undertaken:
  - those costs will be recorded as Scheme Land assets as they are incurred;
  - the Other Provision for the building demolition and land remediation will be progressively reduced and the Scheme Land asset values progressively updated; and
  - the Other Provision and the associated value of the Scheme Land asset will be reviewed annually and updated to reflect revised estimated building demolition and land remediated costs based on the Scheme's experience at that point.
- After demolition and remediation works are finalised, Scheme Land will continue to be recorded at cost, less any impairment, until it is ready for sale.
- When Scheme Land is ready for sale, the cost of the Scheme Land, less any impairment, is transferred from Scheme Land assets to Assets held for Sale.
- At the time of exchange for property sales, the deposit received from the buyer is recorded as a Revenue Received in Advance (RRIA) in Other Liabilities.
- When settlement of remediated property sales occur:
  - an Other Gain is recorded for the value of the sale minus the value of Scheme Land sold;
  - the Scheme Asset Held for Sale is reduced by the value of the Scheme Land sold;
  - the RRIA is reduced by the amount of the deposit initially received; and
  - a cash amount equal to the Cost of Scheme Land Sold is transferred to the TBA, and recorded as:
    - Scheme Transfer Expenses for the portion of the sale proceeds that exceeds the value of the Scheme Land sold, less the direct costs of sale; and
    - Capital Distribution to Government (equity) for the portion of the sale proceeds covering the value of the Scheme Land sold, unless the Scheme Land sells at a loss, in which case the amount transferred is the deposit plus the cash received on sale.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**y) Loose-Fill Asbestos Insulation Eradication Scheme - Continued**

The value of, and the associated number of properties (blocks) relating to, the significant line items in relation to the Scheme as at 30 June 2016 and 30 June 2015 (and the total number of blocks) were as follows.

		<b>Total</b>			
	<b>Note</b>	<b>No. of</b>	<b>No. of</b>	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>Blocks</b>	<b>Blocks</b>	<b>\$'m</b>	<b>\$'m</b>
<b>Other Gains</b>					
Gross Proceeds from the Sale of Scheme Land				6	-
<i>less:</i> Cost of Scheme Land Sold				5	-
<b>Total Other Gains</b>	10	11	11	<u>1</u>	<u>-</u>
<b>Grants and Purchased Services</b>					
Property Purchases - Settled		886	287	6	599
Property Purchases - Opted into but not Settled		99	99	43	260
<b>Total Grants and Purchased Services</b>	15	985	386	<u>49</u>	<u>859</u>
<b>Assets Held for Sale</b>					
Properties Held for Sale		123	123	54	-
<b>Total Assets Held for Sale</b>	25			<u>54</u>	<u>-</u>
<b>Other Liabilities</b>					
Property Sales Deposits		19	19	1	-
<b>Total Other Liabilities</b>	38			<u>1</u>	<u>-</u>
<b>Scheme Land Assets</b>					
Asbestos Contaminated Land		752	752	249	599
Estimated Building Demolition and Land Remediation Costs for Settled Properties		752	752	119	599
<b>Total Scheme Land Assets</b>	27			<u>368</u>	<u>188</u>
<b>Other Provisions</b>					
Property Purchases - Opted into but not Settled		99	99	43	260
Estimated Building Demolition and Land Remediation Costs for Settled Properties - Current		418	418	66	150
Estimated Building Demolition and Land Remediation Costs for Settled Properties - Non-Current		334	334	53	449
<b>Total Other Provisions</b>	37	851	851	<u>162</u>	<u>859</u>
<b>Transfers to Government</b>					
Transfer Expense Payments to Government <sup>1</sup>	19	11	11	-	-
Capital Distributions to Government (refer to the Statements of Changes in Equity)		11	11	5	-
<b>Total Transfers to Government</b>				<u>5</u>	<u>-</u>
<b>Contingent Liabilities</b>					
Estimated Building Demolition and Land Remediation Costs for Property Purchases Opted into but not Settled		99	99	16	260
<b>Total Contingent Liabilities</b>	44			<u>16</u>	<u>41</u>
<b>Other Contingent Assets</b>					
Property Purchases - Opted into but not Settled		99	99	38	260
Estimated Building Demolition and Land Remediation Costs for Property Purchases Opted into but not Settled		99	99	16	260
<b>Total Contingent Assets</b>	44			<u>54</u>	<u>129</u>

<sup>1</sup> The 2015-16 figure is \$0.370 million, and represents the transfer of the net proceeds from the sale of remediated land to the TBA.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**z) Payables**

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

Payables include Trade Payables, Accrued Expenses and Other Payables.

**aa) Interest-Bearing Liabilities**

Interest-bearing liabilities are a financial liability and are measured at the fair value 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.

The Directorate's interest-bearing liabilities include loans established under agreements with the Territory Banking Account (TBA). These agreements relate to loan facilities to Community Housing Canberra (CHC) and the Exhibition Park in Canberra (EPIC) (now part of the Directorate, EPIC was formerly known as the Exhibition Park Corporation (EPC)). Under these agreements the Directorate borrowed from the TBA to provide finance to CHC. This was also originally the intention when the EPC loan was established, however, as a result of the transfer of EPC into the Directorate on 1 January 2015 following the repeal of the *Exhibition Park Corporation Act 1976*, the Directorate no longer has a receivable to offset this loan.

The interest and principal repayment arrangements for the CHC loan facility mirror the arrangements outlined above in Note 2(p), 'Receivables'. The EPIC loan is subject to a fixed rate of interest and has a repayment term of 15 years. Quarterly instalments of principal and interest are to be repaid in arrears on first day of the next quarter, commencing on 1 October 2016.

**bb) Leases**

The Directorate had finance leases and operating leases at the beginning of the 2014-15 reporting period and only operating leases at the end of that reporting period. The Directorate continues to have only operating leases in 2015-16.

*Finance Leases*

Finance leases are initially recognised as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments each being determined at the inception of the lease.

The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease. Assets under a finance lease are depreciated over the shorter of the asset's useful life or lease term. Assets under a finance lease are depreciated on a straight-line basis. Each lease payment is allocated between interest expense and reduction of the lease liability. Finance lease liabilities are classified as current and non-current.

*Operating Leases*

Operating leases do not effectively transfer to the Directorate substantially all the risks and rewards incidental to ownership of the asset under an operating lease. Operating lease payments are recorded as an expense in the Operating Statement on a straight-line basis over the term of the lease.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**bb) Leases - Continued**

*Motor Vehicle Leasing Arrangements during 2014-15*

Changes were made to the whole of government motor vehicle leasing arrangements with SG Fleet during 2014-15. As a result, all leases with SG Fleet were reclassified as operating leases, rather than finance leases, from 23 April 2015. The leased vehicles held as Property, Plant and Equipment (under the previous finance lease arrangement with SG Fleet) were derecognised, and the associated loss on the derecognition of the leased vehicle assets has been reflected under Other Expenses (refer Note 18, 'Other Expenses'). The corresponding finance lease liability (current and non-current) was also derecognised, and the associated gain from the derecognition of the liability has been reflected under Other Gains (refer Note 10, 'Other Gains').

**cc) Employee Benefits**

Employee benefits include:

- short-term employee benefits such as wages and salaries, annual leave loading, and applicable on-costs, if they are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.

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

*Wages and Salaries*

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

*Annual and Long Service Leave*

Annual and long service leave including applicable on-costs that are not expected to be wholly settled before 12 months after the end of the reporting period when the employees render the related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. 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 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 3 years. In 2015-16 the rate used to estimate the present value of future annual leave payments is 101.4% (101.0% in 2014-15).

In 2015-16, the rate used to estimate the present value of future payments for long service leave is 114.7% (104.2% in 2014-15).

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 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 the applicable on-costs.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**cc) Employee Benefits - Continued**

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

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

**dd) Superannuation**

The Directorate receives funding for superannuation payments as part of the Government Payment for Outputs (GPO). The Directorate then makes payments on a fortnightly basis to the Territory Banking Account (TBA), to cover the Directorate's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution, but does not include the productivity component. The productivity component is paid directly to the Commonwealth Superannuation Corporation (CSC) by the Directorate. The CSS and PSS are defined benefit superannuation plans, meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of either superannuation accumulation schemes. This includes the Public Sector Superannuation accumulation plan (PSSap) or schemes of employee choice.

Superannuation liabilities are not recognised at an individual agency level. The total Territory superannuation liability is recognised by:

- the Superannuation Provision Account (SPA) for CSS and PSS liabilities;
- the CSC for the productivity component and PSSap liabilities; and
- external schemes for liabilities associated with fund of choice arrangements.

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS in respect of their service provided to the ACT Government after 1 July 1989. These reimbursement payments are made from the SPA.

**ee) Equity Contributed by the ACT Government**

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

Increases or decreases in net assets as a result of administrative restructures are also recognised in equity.

**ff) Insurance**

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

**gg) Budgetary Reporting – Explanation of Major Variances between Actual Amounts and Original Budget Amounts**

Explanations of major variances between the 2015-16 original budget and the 2015-16 actual results are discussed in Note 48, 'Budgetary Reporting - Explanation of Major Variances between Actual Amounts and Original Budget Amounts', and Note 82, 'Budgetary Reporting - Explanation of Major Variances between Actual Amounts and Original Budget Amounts - Territorial'.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**gg) Budgetary Reporting – Explanation of Major Variances between Actual Amounts and Original Budget Amounts - Continued**

The definition of 'major variances' is provided in Note 2(hh)(vii), 'Significant Accounting Judgements and Estimates: Budgetary Reporting - Explanation of Major Variances between Actual Amounts and Original Budget Amounts'.

**hh) Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, the Directorate has made the following judgements and estimates, which have had a significant impact on the amounts recorded and/or disclosed in the financial statements:

- i. *Revenue Recognition*: User Charges revenue is recognised upon delivery of the related service to customers, or by reference to the stage of completion of contracts or agreements for the services involved. The stage of completion is determined on the basis of the ratio of costs incurred to date to the estimated total costs of the transaction. Further information on this estimate is provided in Note 2(g), 'Revenue Recognition'.
- ii. *Receivables*: Where there is objective evidence that a receivable may not be collected, an assessment of the likelihood of the recovery of a receivable is required to determine whether an impairment loss must be recognised. The Directorate has made a significant estimate in the estimation of the allowance for impairment losses for receivables in the territorial financial statements. This estimate is based on a number of categorisations of receivables, which are considered by the Directorate to be appropriate and accurate based on the pattern demonstrated in collecting receivables in past financial years. The assessments are associated with accounts in bankruptcy and past write-offs. Further information on this estimate is provided in Note 2(p), 'Receivables'.
- iii. *Fair Value of Assets*: The Directorate has made a significant judgement regarding the fair value of its assets. The fair value of land is measured using market prices for similar land in a similar location and condition. The revaluations undertaken each year for rating purposes are used as fair values. Property, plant and equipment (PPE) have been recorded at fair value based on a combination of market value and depreciated replacement cost as determined by an independent valuer. Market value seeks to determine the current value of an asset by reference to recent comparable transactions involving the sale of similar assets. Significant estimates have been applied where the market evidence is not exactly the same as the asset. Adjustments are made, either up or down, to estimate what the comparable asset would have been sold for if it had the same characteristics as the asset being valued. This leads to an indication of the most probable selling price. Significant judgements and estimates are used in estimating depreciated replacement cost in determining the fair value, including any optimisation of the asset along with due consideration to any functional obsolescence factors affecting the existing asset. The fair value of assets is subject to management assessment between formal valuations.  
  
Where it has been determined that no market exists for improvements made to Exhibition Park in Canberra (EPIC) assets due to the unique nature of the improvements, and the asset would likely be replaced if EPIC was deprived of that asset, depreciated replacement cost is used. In some circumstances, buildings that are purpose built may in fact realise more or less than their carrying value.
- iv. *Estimation of Useful Lives of Property, Plant and Equipment*: The Directorate has made a significant estimate in the lengths of useful lives over which its assets are depreciated. This estimation is the period in which utility will be gained from the use of the asset, based on either estimates from officers of the Directorate or independent valuers.

Further disclosures concerning valuations of the Directorate's assets can be found at Note 2(u), 'Measurement of Property, Plant and Equipment after Initial Recognition', and disclosures concerning an asset's useful life can be found at Note 2(x), 'Depreciation and Amortisation of Non-Current Assets'.

# Chief Minister, Treasury and Economic Development Directorate

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

##### hh) Significant Accounting Judgements and Estimates - Continued

- v. *Allowance for Impairment of Assets:* The Directorate has made a significant judgement regarding its impairment of assets by undertaking a process of reviewing any likely impairment factors. Business Units across the Directorate made an assessment of any indication of impairment by assessing against an impairment checklist. The Directorate assessed \$3.1 million of Controlled receivables as at 30 June 2016 (\$5.3 million as at 30 June 2015) and \$8.1 million of Territorial receivables as at 30 June 2016 (\$7.3 million as at 30 June 2015) as being impaired, due largely to the age of the debt.
- vi. *Employee Benefits:* Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service requires a consideration of the future wages and salary levels, experience of employee departures, probability that leave will be taken in service, and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in Note 2(cc), 'Employee Benefits'.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019.

- vii. *Budgetary Reporting - Explanation of Major Variances between Actual Amounts and Original Budget Amounts:* Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Note 48, 'Budgetary Reporting - Explanations of Major Variances Between Actual Amounts and Original Budget Amounts', and Note 82, 'Budgetary Reporting - Explanations of Major Variances Between Actual Amounts and Original Budget Amounts - Territorial'. Variances are considered to be major variances if both of the following criteria are met:

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

Further information on this is provided in Note 2(gg), 'Budgetary Reporting – Explanation of Major Variances between Actual Amounts and Original Budget Amounts'.

- viii. *Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme):* Significant judgements have been made in determining both the scope of works to be undertaken and the value of certain transactions associated with the Scheme. Refer to Note 2(y), 'Loose-Fill Asbestos Insulation Eradication Scheme', for an overview of the financial impacts and material accounting transactions associated with the administration of the Scheme. The significant judgements and estimates made in relation to the Scheme relate to estimating the:
- estimated value of contaminated land;
  - estimated cost of demolishing asbestos affected buildings and remediating the associated land; and
  - timing of building demolition and land remediation works.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**hh) Significant Accounting Judgements and Estimates - Continued**

**viii. Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme) - Continued**

*Estimates for the Value of Contaminated Land:* The price paid to purchase the properties includes contaminated land and buildings. An estimate for the value of contaminated land is needed, as it is recorded as an asset, whereas the buildings are expensed because they are demolished after being purchased. The estimated value of the contaminated land takes into account the unimproved value of the land (adjusted to reflect the market value) at the commencement of the Scheme, less the estimated cost for demolishing the buildings and remediating the land.

*Estimates for the Cost of Building Demolition and Land Remediation:* The forecast cost of building demolition and land remediation is currently based on similar work done elsewhere and has been determined in consultation with the building industry. This estimate has been reviewed taking into account the actual cost of building demolition and land remediation works undertaken to 30 June 2016. It has been determined that there is insufficient information to justify either an increase or decrease to the current forecast cost of building demolition and land remediation.

*Estimates for the Timing of Building Demolition and Land Remediation:* It is currently estimated that it will take a further 6 years to demolish the buildings and remediate the land on the remaining asbestos affected properties. The timing of building demolition and land remediation is likely to be impacted by a range of factors, including any unexpected difficulties experienced in relation to building demolitions at particular sites, the availability of labour to undertake the required works, and weather conditions. If any of these delays eventuate there is a risk that the cost for these works will also increase.

**ii) Taxation**

The Directorate is liable for Goods and Services Tax (GST) and Fringe Benefits Tax (FBT).

**jj) Impact of Accounting Standards Issued but yet to be applied**

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

- AASB 15, 'Revenue from Contracts with Customers', (application date 1 January 2018).

AASB 15 is the new standard for revenue recognition. It establishes a comprehensive framework for determining whether, how much, and when, revenue is recognised. It replaces AASB 111, 'Construction Contracts', and AASB 118, 'Revenue'. The Directorate is currently assessing the impact of this standard, and has identified there could be a potential impact on the timing of the recognition of revenue for user charges. At this stage the Directorate is not able to estimate the impact of this new standard on its financial statements. The Directorate will make a more detailed assessment of the impact over the next 12 months.

- AASB 16, 'Leases', (application date 1 January 2019).

AASB 16 is the new standard for leases. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset value is low. At this stage CMTEDD is not able to estimate the impact of this new standard on its financial statements. CMTEDD will make a more detailed assessment of the impact over the next 12 months.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**jj) Impact of Accounting Standards Issued but yet to be applied - Continued**

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

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

- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 and 1049] (application date 1 July 2016).

This standard extends the scope of AASB 124, 'Related Party Transactions', to the not-for-profit sector and updates AASB 124 to include implementation guidance (including illustrative examples) to assist not-for-profit entities to apply the new requirements. While there is no material financial impact in implementing this standard there will be increased disclosure required by CMTEDD.

- AASB 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15 (application date 1 January 2017).

This standard defers the application date of AASB 15, 'Revenue from Contracts', with Customers to 1 January 2018. At this stage CMTEDD is not able to estimate the impact of AASB 15 on its financial statements. CMTEDD will make a more detailed assessment of the impact over the next 12 months.

**kk) Accounting Standards Adopted Early for the 2015-16 Reporting Period**

The following accounting standards have been early adopted for the 2015-16 reporting period, even though the standard is not required to be applied until after the completion of the reporting period.

- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 and AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-For-Profit Public Sector Entities (application date 1 July 2016).

AASB 2015-2 amends AASB 101, 'Presentation of Financial Statements', including clarifying that agencies should not be disclosing immaterial information and that the presentation of information in notes can and should be tailored to provide users with the clearest view of the Directorate's financial performance and financial position. AASB 2015-7 amends AASB 13, 'Fair Value Measurement', to provide disclosure relief to not-for-profit public sector agencies from certain disclosures about the fair value measurements of property, plant and equipment held for their current service potential rather than to generate net cash inflows. This includes relief from disclosures of quantitative information about the significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs.

- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-For Profit Entities [AASB 36] (application date 1 January 2017).

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, AND CORRECTION OF PRIOR PERIOD ERRORS**

**a) Change in Accounting Policy**

The Directorate had no change in accounting policy during the reporting period.

**b) Change in Accounting Estimates**

The Directorate had no change in accounting estimates during the reporting period.

**c) Correction of Prior Period Errors**

The Directorate had no correction of prior period errors during the reporting period.

**NOTE 4. GOVERNMENT PAYMENT FOR OUTPUTS**

Government Payment for Outputs (GPO) is revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays GPO appropriation on a fortnightly basis.

	2016 \$'000	2015 \$'000
<b>Revenue from the ACT Government</b>		
Government Payment for Outputs <sup>1</sup>	410 779	482 451
<b>Total Government Payment for Outputs</b>	<b>410 779</b>	<b>482 451</b>

<sup>1</sup> This decrease is mainly due to fewer Loose-Fill Asbestos Insulation Eradication Scheme properties being purchased during the year (287 properties in 2015-16 compared to 599 properties in 2014-15). This is partially offset by:

- the full year impact of the establishment of Access Canberra following the Administrative Arrangements (AAs) of 15 December 2014; and
- the transfer of the National Arboretum Canberra (NAC) from the Territory and Municipal Services Directorate (TAMSD) and Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) following the AAs of 22 January 2016.

More information on the impact of 2015-16 and 2014-15 AAs is provided in Note 1(a), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2015-16' and Note 1(b), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2014-15', respectively.

More information on other GPO appropriation impacts is provided in the 'Controlled Statement of Appropriation'.

**NOTE 5. FEES AND FINES**

The Directorate's Fees and Fines consist of fees raised under the *Road Transport (Safety and Traffic Management) Act 1999*.

Fees and Fines <sup>1</sup>	128	-
<b>Total Fees and Fines</b>	<b>128</b>	<b>-</b>

<sup>1</sup> This increase is due to the transfer of the Arboretum from the Territory and Municipal Services Directorate (TAMSD) following the Administrative Arrangements (AAs) of 22 January 2016 (parking fees paid by visitors to the Arboretum are collected at the Arboretum on behalf of the Territory).

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 6. USER CHARGES**

User Charges revenue is derived by providing goods and services to other ACT Government agencies and to the public. User charges revenue is not part of direct ACT Government appropriation and is both demand driven and paid by the user of the goods or services.

*User Charges – ACT Government* mainly relates to the provision of property, procurement and Shared Services Information and Communication Technology (ICT), Human Resources (HR) and finance activities to ACT Government directorates and agencies.

*User Charges – Non-ACT Government* includes revenue from national sporting fixture ticketing and food and beverage concession agreements at major sporting venues, venue hire, merchandising of tourist products and revenue earned from tourism activities including Floriade, Nightfest, and the Autumn Festival, and also includes 'extension of time to build fees'.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>User Charges - Non-ACT Government</b>		
ICT Services	13	77
Procurement Services	95	108
Records Management Services	7	13
Publishing Services	34	16
Extension of Time to Build Fees <sup>1</sup>	1 385	641
Territory Venues <sup>2</sup>	9 894	12 468
Commonwealth Funded Projects <sup>3</sup>	362	1 458
Rent from Tenants <sup>4</sup>	6 022	5 294
ACT Government Shopfront <sup>5</sup>	3 900	1 862
Other	3 450	2 777
<b>Total User Charges - Non-ACT Government</b>	<b>25 161</b>	<b>24 714</b>
<b>User Charges - ACT Government</b>		
ICT Services	120 606	122 357
Property Group Project Services <sup>6</sup>	24 957	33 454
Procurement Services	15 552	14 771
Human Resources Services	17 595	17 755
Finance Services	10 783	10 804
Records Management Services	2 828	3 205
Publishing Services	1 189	1 371
Rent from Tenants <sup>7</sup>	43 424	47 494
Other	5 422	4 808
<b>Total User Charges - ACT Government</b>	<b>242 356</b>	<b>256 019</b>
<b>Total User Charges for Goods and Services</b>	<b>267 517</b>	<b>280 733</b>

<sup>1</sup> This increase results from the full year impact of the transfer of the Regulatory Services function to the Directorate from the Environment and Planning Directorate (EPD) following the AAs of 15 December 2014, to contribute to the establishment of Access Canberra.

<sup>2</sup> This decrease is a result of fewer major events being held at Venues Canberra facilities in 2015-16 compared to 2014-15.

<sup>3</sup> This decrease is due to the winding down of Commonwealth funds received by the ACT Property Group (ACTPG) in relation to the Community Energy Efficiency Program.

<sup>4</sup> This increase largely results from additional rental income received from community groups due to a larger number of facilities being occupied.

<sup>5</sup> This increase results from the full year impact of the transfer of the Regulatory Services function to the Directorate from the Environment and Planning Directorate (EPD) following the AAs of 15 December 2014, to contribute to the establishment of Access Canberra.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 6. USER CHARGES - CONTINUED**

<sup>6</sup> This decrease is due to lower demand for ACTPG project management, and repairs and maintenance services by Directorates.

<sup>7</sup> This decrease results from the full year impact of the creation of Access Canberra following the AAs of 15 December 2014. Prior to the creation of Access Canberra, rental revenue was received by ACTPG from the directorates that contributed functions to CMTEDD. Since the creation of Access Canberra, the rent received by ACTPG from Access Canberra is no longer reported in CMTEDD's financial statements, as the transaction is internal to the Directorate.

**NOTE 7. INTEREST**

The Directorate earns interest on loans issued to Community Housing Canberra (CHC), the Salary Packaging bank accounts and Territory Venues and Events (TVE) bank accounts (TVE operates on a commercial basis, and is allowed to earn interest).

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest from Loan Receivables <sup>1</sup>	1 581	1 747
Bank Account Interest	177	113
Interest from Salary Packaging Accounts	125	123
<b>Total Interest Revenue</b>	<b>1 883</b>	<b>1 983</b>

<sup>1</sup> This decrease is due to a reduction in the average interest rate on the CHC loan from 2.565% in 2014-15 to 2.233% in 2015-16, partially offset by interest earned from the borrowers from the Home Loan Portfolio (HLP), which was transferred to CMTEDD on 30 June 2015.

**NOTE 8. RESOURCES RECEIVED AND PROVIDED FREE OF CHARGE**

**Resources Received Free of Charge**

**Justice and Community Safety Directorate**

Legal Services <sup>1</sup>	2 636	2 079
Legislative Drafting Services <sup>2</sup>	1 214	1 337
Search Fees and Document Registration <sup>3</sup>	-	145
<b>Total Justice and Community Safety Directorate</b>	<b>3 850</b>	<b>3 561</b>

<b>Total Resources Received Free of Charge</b>	<b>3 850</b>	<b>3 561</b>
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**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 8. RESOURCES RECEIVED AND PROVIDED FREE OF CHARGE - CONTINUED**

The Directorate provides a range of resources free of charge to other agencies within and external to the ACT Government. Expenses relating to resources provided free of charge are recorded elsewhere in this report in the expense item to which they relate.

	2016 \$'000	2015 \$'000
<b>Resources Provided Free of Charge - Included in Employee Expenses</b>		
<b><i>Total Corporate and Accounting Services Provided Free of Charge to the ACT Executive</i></b>	<b>38</b>	<b>30</b>
<i>Births, Deaths and Marriages - 2015-16 Certificates and Searches</i>		
- Australian Federal Police	52	22
- Australian Red Cross	7	1
- Department of Human Services	1	-
<b><i>Total Births, Deaths and Marriages - 2015-16 Certificates and Searches</i></b>	<b>60</b>	<b>23</b>
<i>Building File - 2015-16 Searches</i>		
- Archive ACT	1	-
<b><i>Total Building File - 2015-16 Searches</i></b>	<b>1</b>	<b>-</b>
<i>Land Title Searches Legislated Fees</i>		
- Australian Federal Police	8	7
- Australian Taxation Office	-	1
- Community Services Directorate	9	3
- Environment and Planning Directorate	618	610
- Justice and Community Safety Directorate	39	44
- Land Development Agency	37	13
- Public Trustees Office	36	22
- Territory and Municipal Services Directorate	2	-
- Other Individuals	-	16
<b><i>Total Land Title Searches Legislated Fees</i></b>	<b>749</b>	<b>716</b>
<b><i>Total Searches for the Loose-Fill Asbestos Insulation Eradication Scheme <sup>4</sup></i></b>	<b>78</b>	<b>156</b>
<b>Total Resources Provided Free of Charge - Included in Employee Expenses</b>	<b>926</b>	<b>925</b>

<sup>1</sup> This increase largely results from the full year impact of the transfer of Office of Regulatory Services (ORS) from the Justice and Community Safety Directorate (JACSD) following the Administrative Arrangements (AAs) of 15 December 2014 to establish Access Canberra within the Directorate, which has resulted in a general increase in the use of the Government Solicitor's Office (GSO) for a range of purposes during the year.

<sup>2</sup> This decrease reflects a general reduction in legislative drafting services provided by JACSD during the year.

<sup>3</sup> This is also due to the full year impact of the transfer of ORS from JACSD following the AAs of 15 December 2014, as Access Canberra is now responsible for providing this service. Given Access Canberra provides these services within the Directorate, the financial impact of the services are not visible in the Directorate's financial statements.

<sup>4</sup> This decrease reflects the reduction in the number of properties purchased under the Loose-Fill Asbestos Insulation Eradication Scheme during 2015-16 compared to 2014-15.

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 9. OTHER REVENUE**

Other revenue arises from the core activities of the Directorate. Other revenue is distinct from other gains, as other gains are not part of the core activities of the Directorate.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other Revenue from ACT Government Entities</b>		
Insurance Recoveries <sup>1</sup>	833	571
Sponsorship	99	35
<b>Total Other Revenue from ACT Government Entities</b>	<b>932</b>	<b>606</b>
<b>Other Revenue from Non-ACT Government Entities</b>		
Salary Packaging Fees	1 705	1 559
Sponsorship	361	343
Other <sup>2</sup>	2 786	912
<b>Total Other Revenue from Non-ACT Government Entities</b>	<b>4 852</b>	<b>2 814</b>
<b>Total Other Revenue</b>	<b>5 784</b>	<b>3 420</b>

<sup>1</sup> This increase is mainly due to insurance recoveries from the ACT Insurance Authority (ACTIA) relating to the Canberra Olympic Pool leakages and other settlements for Sport and Recreation.

<sup>2</sup> This increase is mainly due to the full year impact of the Administrative Arrangements of 15 December 2014, which resulted in the transfer of functions from the Health Directorate (HD), the Justice and Community Safety Directorate (JACSD), the Territory and Municipal Services Directorate (TAMSD) and the Environment and Planning Directorate (EPD) to CMTEDD to enable the establishment of Access Canberra. This revenue is demand driven, and includes construction rectification work cost recoveries (this is recovered from builders of non-compliant building work when another builder is sent in to rectify the works) and postage recoveries for posting registration certificates and licences.

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 10. OTHER GAINS**

Other gains are transactions that are not part of the Directorate's core activities. Other gains are distinct from other revenue, as other revenue arises from the core activities of the Directorate.

The Directorate's other gains include gains on Loose-Fill Asbestos Insulation Eradication Scheme (Scheme) Land Sales resulting from the sale of land remediated under the Scheme. Refer to Note 2(y), 'Significant Accounting Policies: Loose-Fill Asbestos Insulation Eradication Scheme', for further information.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other Gains</b>		
Gains on Loose-Fill Asbestos Insulation Eradication Scheme (Scheme) Land Sales	889	-
Other	18 737	5 068
<b>Total Other Gains</b>	<b>19 626</b>	<b>5 068</b>
<b>Gains on Loose-Fill Asbestos Insulation Eradication Scheme Land Sales</b>		
Gross Proceeds from the Sale of Remediated Scheme Land	5 860	-
<b>Less:</b> Cost of Scheme Land Sold	4 971	-
<b>Total Gains on Loose-Fill Asbestos Insulation Eradication Scheme Land Sales</b> <sup>1</sup>	<b>889</b>	<b>-</b>
<b>Other</b>		
Gain from the Sale of Motor Vehicles <sup>2</sup>	368	766
Gain from Contributed Assets (Assets Transferred from Other ACT Government Entities) <sup>3</sup>	15 811	10
Gains Arising from Derecognition of Liabilities <sup>4</sup>	-	4 292
Donations <sup>5</sup>	107	-
Gains from the Revaluation of Investment Properties	1 511	-
Other <sup>6</sup>	940	-
<b>Total Other</b>	<b>18 737</b>	<b>5 068</b>
<b>Total Other Gains</b>	<b>19 626</b>	<b>5 068</b>

<sup>1</sup> This increase is due to commencement of the land sales phase of the Scheme.

<sup>2</sup> This decrease is due to a reduction in the number of motor vehicles sold in 2015-16. Although the Directorate no longer has any finance leased vehicles, the Directorate is entitled to receive a portion of the net gain (or loss) on the sale of the vehicles it has under operating lease with SG Fleet.

<sup>3</sup> This increase mainly relates to:

- the transfer of the Ricky Stuart Foundation House at Chifley Community Hub from the Community Service Directorate (CSD);
- the transfer of the Black Mountain Slipway from the Land Development Agency (LDA);
- the transfer of equipment from ACTION to support radio interoperability during major events and charters associated with the National Arboretum Canberra (NAC);
- the first time recognition of previously unrecorded assets identified during the 2015-16 revaluation process; and
- the transfer of land from the LDA for the public housing renewal program.

<sup>4</sup> The 2014-15 figure reflects the transfer of all vehicle finance leases to operating leases following a change in the whole of government vehicle leasing arrangements with SG Fleet on 23 April 2015. Also refer to Note 2(bb), 'Significant Accounting Policies: Leases'.

<sup>5</sup> This increase is mainly due to the donation of the *Ginninginderry Lights* public artwork from developer, CIC Crace Pty Ltd.

<sup>6</sup> This increase is due to the write back of the allowance for impairment due to the recovery of amounts previously recorded as impaired.

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 11. EMPLOYEE EXPENSES**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and Salaries <sup>1,2</sup>	213 958	182 171
Long Service Leave Expenses <sup>1,2</sup>	6 932	6 762
Annual Leave Expenses <sup>1,2</sup>	4 821	2 958
Workers' Compensation Insurance Premium <sup>1</sup>	4 397	3 013
Termination Expenses <sup>3</sup>	7 556	1 303
Other Employee Benefits and On-Costs	1 302	620
<b>Total Employee Expenses</b>	<b>238 966</b>	<b>196 827</b>

<sup>1</sup> These increases largely reflect the full year impact of Administrative Arrangements (AAs) and other transfers to CMTEDD during 2014-15 (refer to Note 1(b), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2014-15').

<sup>2</sup> These increases also include the impact of the transfer of the National Arboretum Canberra (NAC) from the Territory and Municipal Services Directorate (TAMSD) and Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) following the AAs of 22 January 2016.

<sup>3</sup> This increase results from a number of voluntary redundancies, resignations and retirements during the year.

**NOTE 12. SUPERANNUATION EXPENSES**

Contributions to the Territory Banking Account (TBA) for the Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS)	16 684	15 477
Payments to the Commonwealth Superannuation Corporation (CSC) for:		
- Productivity Benefits	2 194	2 019
- Public Sector Superannuation accumulation Plan (PSSap)	1 119	978
Superannuation to External Providers	12 127	9 353
<b>Total Superannuation Expenses <sup>1</sup></b>	<b>32 124</b>	<b>27 827</b>

<sup>1</sup> These increases result largely from the full year impact of the Administrative Arrangements (AAs) that impacted the Directorate during 2014-15 and 2015-16 (refer to Note 1(a), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2015-16', and Note 1(b), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2014-15').

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**For the Year Ended 30 June 2016**

**NOTE 13. SUPPLIES AND SERVICES**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation <sup>1</sup>	34 227	31 634
Audit Services (refer Note 21, 'Auditor's Remuneration')	578	467
Consultants	11 934	9 660
Contractors	35 149	33 700
Donations, Sponsorship and Contributions	1 461	967
Finance, Procurement, Human Resources and Corporate Fees	137	117
Hospitality	169	174
Information Technology (IT) Costs and Office Equipment	35 214	34 521
Insurance	1 588	1 499
Marketing Expenses <sup>2</sup>	9 521	8 243
Materials and Consumables	2 721	2 646
Plant and Equipment Hire	1 286	1 096
Postage, Printing, Stationery and Freight <sup>3</sup>	5 404	3 964
Professional Fees <sup>4</sup>	7 223	5 545
Property Services <sup>5</sup>	10 638	13 099
Project Contributions <sup>6</sup>	921	591
Repairs and Maintenance	39 878	39 346
Resources Received Free of Charge - Legal Services	3 852	3 742
Staff Related Expenses	1 006	927
Subscriptions, Publications, Videos and Memberships	1 561	1 012
Telecommunications	6 180	6 409
Territory Venues Management Costs <sup>7</sup>	5 017	6 465
Training and Development	2 747	2 094
Travel (and associated accommodation)	908	622
Utilities <sup>8</sup>	15 746	14 255
Vehicle Expenses	2 446	1 320
Other <sup>9</sup>	5 250	4 388
<b>Total Supplies and Services</b>	<b>242 762</b>	<b>228 503</b>

- <sup>1</sup> The increase is largely due the rental of Winyu House, Gungahlin, partly offset by general reductions in accommodation costs in other locations.
- <sup>2</sup> This increase is associated with the Airline Stimulus Fund that aims to support new Tourism Cooperative Marketing activities, Industry Growth Partnership plans and aviation partnerships, as well as the development and roll out of the new five year destination marketing platform One Good Thing After Another.
- <sup>3</sup> This increase largely reflects higher Australia Post letter charges.
- <sup>4</sup> This increase is largely due to the creation of Access Canberra following the AAs of 15 December 2014.
- <sup>5</sup> This decrease results from one-off cleanup costs for the Parkwood industrial estate undertaken during 2014-15.
- <sup>6</sup> This increase reflects the Directorate's contribution of funds to several non-ACT Government organisations to deliver projects, including the ACT Netball Association, and the Lyneham Sports precinct.
- <sup>7</sup> This decrease is the result of fewer major events being held at Venues Canberra facilities in 2015-16 compared to 2014-15.
- <sup>8</sup> This increase is largely due to additional water charges for sports ground irrigation due to the unusually warm climatic conditions during the year.
- <sup>9</sup> The increase is mainly due to increased sponsorships for special events and the part year impact of the transfer of the National Arboretum of Canberra (NAC) from the Territory and Municipal Services Directorate (TAMSD) to CMTEDD following the Administrative Arrangements (AAs) of 22 January 2016.

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**NOTE 14. DEPRECIATION AND AMORTISATION**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Land Improvements	17 647	17 551
Buildings <sup>1</sup>	19 349	16 072
Leasehold Improvements <sup>2, 3</sup>	4 103	2 499
Plant and Equipment <sup>2, 3, 4</sup>	11 159	10 934
Community and Heritage Assets <sup>1</sup>	2 127	1 127
Infrastructure Assets	14 979	14 586
Assets under a Finance Lease <sup>5</sup>	-	566
<b>Total Depreciation</b>	<b>69 364</b>	<b>63 335</b>
<b>Amortisation</b>		
Internally Generated Software	2 342	2 408
Externally Generated Software <sup>3</sup>	2 261	1 016
Externally Purchased Other Intangibles	153	228
<b>Total Amortisation</b>	<b>4 756</b>	<b>3 652</b>
<b>Total Depreciation and Amortisation</b>	<b>74 120</b>	<b>66 987</b>

<sup>1</sup> These increases include the full year impact of the transfer of Childcare Centres from the then Education and Training Directorate (ETD) to CMTEDD on 1 February 2015.

<sup>2</sup> These increases include the full year impact of the transfers to the Directorate of the Office of Regulatory Services (ORS) from the Justice and Community Safety Directorate (JACSD) following the Administrative Arrangements (AAs) of 15 December 2014 and the former Exhibition Park Corporation (EPC) on 1 January 2015, following the repeal of the *Exhibition Park Corporation Act 1976*.

<sup>3</sup> These increases also include the full year impact of the transfer of Canberra Connect from the Territory and Municipal Services Directorate (TAMSD) to the Directorate following the AAs of 15 December 2014.

<sup>4</sup> This increase is also impacted by the full year impact of the transfer of the Regulatory Services function from the Environment and Planning Directorate (EPD) to CMTEDD following the AAs of 15 December 2014.

<sup>5</sup> This decrease results from the discontinuation of finance leases from 23 April 2015. All vehicle finance leases were transferred to operating leases following a change in the whole of government vehicle leasing arrangements with SG Fleet from that date.

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**NOTE 15. GRANTS AND PURCHASED SERVICES**

Grants are amounts provided by the Directorate to other ACT Government agencies or external parties for general assistance or for a particular purpose. Grants may be provided for capital or operating purposes. 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.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Grants and Purchased Services</b>		
Loose-Fill Asbestos Insulation Eradication Scheme Grants (Scheme) Grants	48 775	336 130
Grants	49 469	34 390
Purchased Services	8 384	2 322
<b>Total Grants and Purchased Services</b>	<b>106 628</b>	<b>372 842</b>
<b>Loose-Fill Asbestos Insulation Eradication Scheme Grants</b>		
Loose-Fill Asbestos Insulation Eradication Scheme - Property Acquisitions <sup>1</sup>	48 775	336 130
<b>Total Loose-Fill Asbestos Insulation Eradication Scheme Grants</b>	<b>48 775</b>	<b>336 130</b>
<b>Grants</b>		
artsACT	8 357	8 686
Canberra City Marketing and Improvement	1 773	1 846
Centenary Chair for Cancer Research	500	500
Community Councils <sup>2</sup>	76	38
Community Support Fund <sup>3</sup>	79	313
Economic Development Policy - University of Canberra <sup>4</sup>	700	-
Events	611	556
Innovation Trade and Investment <sup>5</sup>	4 988	3 951
Investment Logic Mapping Workshops <sup>6</sup>	6	68
Payments from Restructure Fund <sup>7</sup>	6 971	5 355
Public Transport Regulation <sup>8</sup>	825	518
Regional Development <sup>9</sup>	-	81
Skills Canberra <sup>10</sup>	7 740	-
Sport and Recreation <sup>11</sup>	13 871	11 069
Strategic Asset Management Program <sup>12</sup>	-	156
Support to the Vietnam Veterans and Veterans' Federation ACT Inc.	70	70
Unions ACT	118	118
VisitCanberra <sup>11</sup>	2 756	1 051
Others	29	14
<b>Total Grants</b>	<b>49 469</b>	<b>34 390</b>
<b>Purchased Services</b>		
ACT Ombudsman	1 043	1 029
Health Directorate <sup>13</sup>	727	382
Healthy Weight Initiative <sup>14</sup>	750	537
Independent Competition and Regulatory Commission	387	375
Urban Renewal Program - Better Public Housing <sup>15</sup>	5 328	-
Care Inc. <sup>16</sup>	149	-
<b>Total Purchased Services</b>	<b>8 384</b>	<b>2 322</b>
<b>Total Grants and Purchased Services</b>	<b>106 628</b>	<b>372 842</b>

# Chief Minister, Treasury and Economic Development Directorate

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 15. GRANTS AND PURCHASED SERVICES - CONTINUED

- <sup>1</sup> This decrease reflects a reduction of homeowners opting into the Loose-Fill Asbestos Insulation Eradication Scheme during 2015-16 compared to 2014-15 (refer to Note 2(y), 'Significant Accounting Policies: Loose-Fill Asbestos Insulation Eradication Scheme', for further information).
- <sup>2</sup> This increase is due to a one-off contribution from the Environment Planning Directorate in 2014-15.
- <sup>3</sup> This decrease reflects a lower level of requests for assistance compared to 2014-15.
- <sup>4</sup> This increase reflects the full year impact of the transfer of the former Economic Development Directorate (EDD) to the Directorate following the Administrative Arrangements (AAs) of 7 July 2014. The grant payment to the University of Canberra was reported in the former EDD's 2014-15 Annual Financial Statements (AFS).
- <sup>5</sup> This increase reflects the commencement of a government funded initiative, *Confident and Business Ready - Business Development Strategy 2015*, which contributes to the economy through increasing business innovation, trade development and private investment. This initiative includes the establishment of the CBR Innovation Fund and CBR Trade Investment Fund.
- <sup>6</sup> This decrease is due to a reduction in claims from other ACT Government agencies against the available funding during 2015-16.
- <sup>7</sup> This increase is mainly due to a higher number of claims from other government agencies, including the Community Services Directorate (CSD) as a result of transitioning from Disability ACT to the Commonwealth Government's National Disability Insurance Scheme (NDIS).
- <sup>8</sup> This increase is mainly due to a higher number of claims for incentive payments to taxi drivers associated with the provision of wheelchair taxi services.
- <sup>9</sup> This decrease reflects the conclusion of the ACT Government's support to the Regional Development Australia ACT (RDA ACT) committee at the end of 2014.
- <sup>10</sup> These increases are due to the transfer of Vocational Education and Training (VET) (also known as Skills Canberra) to the Directorate from the then Education and Training Directorate (ETD) following the AAs of 22 January 2016.
- <sup>11</sup> These increases reflect the full year impact of the transfer of the former EDD to CMTEDD following the AAs of 7 July 2014.
- <sup>12</sup> This decrease is due to receiving no claims from other ACT Government agencies against the Strategic Asset Management Program (SAMP) funding during 2015-16.
- <sup>13</sup> This increase results from the full year impact of the transfer of the Public Health Protection and Regulation function to the Directorate from the Health Directorate (HD) following the AAs of 15 December 2014.
- <sup>14</sup> This increase reflects new government funding, which focuses on partnering with industry to improve the quality of the Territory's food environment and equip the community to make informed dietary choices. The Health Directorate (HD), the then ETD and the Community Services Directorate (CSD) provide services in relation to this initiative.
- <sup>15</sup> This increase largely reflects payments to the Land Development Agency (LDA) for professional, marketing and site management costs incurred on CMTEDD's behalf on a new government project, which will redevelop the Allawah Court, Karuah, Owen Flats and Red Hill Housing Precinct properties as part of the Better Public Housing program.
- <sup>16</sup> This increase results from the transfer of the Office of Regulatory Services (ORS) from the Justice and Community Safety Directorate (JACSD) to CMTEDD following the AAs of 15 December 2014.

#### NOTE 16. BORROWING COSTS

The Directorate's borrowing costs include costs associated with loans from the Territory Banking Account (TBA) for onpassage to Community Housing Canberra Limited (CHC).

	2016 \$'000	2015 \$'000
Interest on Borrowings <sup>1</sup>	1 524	1 747
Finance Charges on Finance Leases <sup>2</sup>	-	144
Finance Cost on Make Good	97	12
<b>Total Borrowing Costs</b>	<b>1 621</b>	<b>1 903</b>

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**NOTE 16. BORROWING COSTS - CONTINUED**

<sup>1</sup> This decrease is due to a reduction in the average interest rate on the CHC loan from 2.565% in 2014-15 to 2.233% in 2015-16.

<sup>2</sup> This decrease results from the discontinuation of finance leases from 23 April 2015. All vehicle finance leases were transferred to operating leases following a change in the whole of government vehicle leasing arrangements with SG Fleet from that date.

**NOTE 17. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS**

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

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 Directorate to recover the amount. The write-off of debts may occur for reasons other than waivers.

	No. of Items	2016 \$'000	No. of Items	2015 \$'000
<b>Waivers</b>				
Waivers <sup>1</sup>	6	36	27	268
<b>Total Waivers</b>		<b>36</b>		<b>268</b>
<b>Impairment Losses</b>				
<i>Impairment Losses from Receivables</i>				
Trade Receivables <sup>2</sup>	186	189	208	96
<i>Total Impairment Losses from Receivables</i>		189		96
<i>Impairment Loss from Intangible Assets</i>				
Intangible Assets	2	21	-	-
<i>Total Impairment Losses from Intangible Assets</i>		<b>21</b>		-
 Plant and Equipment <sup>3</sup>	 731	 221	 -	 -
<i>Total Impairment Losses from Property, Plant and Equipment</i>		221		-
<b>Total Impairment Losses</b>		<b>431</b>		<b>96</b>
<b>Write-Offs</b>				
Trade Receivables	81	121	-	-
Losses or Deficiencies in Public Monies	12	1	-	1
<b>Total Write-Offs</b>		<b>122</b>		<b>1</b>
 <b>Total Waivers, Impairment Losses and Write-Offs</b>		 <b>589</b>		 <b>365</b>

<sup>1</sup> This decrease results from a higher than usual value of waivers in 2014-15 due to a stimulus package, which ended on 30 June 2015. The stimulus package allowed the waiver, or refund for, any extension of time fee incurred or paid between 22 June 2012 and 31 March 2014.

<sup>2</sup> This increase is largely due to the impairment of home loans issued to low-income households.

<sup>3</sup> This increase is due to workstations and monitors from Shared Services ICT being damaged, obsolete or lost.

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**NOTE 18. OTHER EXPENSES**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Loose-Fill Asbestos Insulation Eradication Scheme Financial Assistance Payments <sup>1</sup>	2 925	7 503
Losses from the Sale of Assets	1 273	1 457
Losses on the Derecognition of Finance Leased Vehicles <sup>2</sup>	-	4 415
Transfer of Completed Capital Works and Other Assets to Other ACT Government Entities <sup>3</sup>	95 672	3 119
Other	42	-
Act of Grace Payments (refer Note 20, 'Act of Grace Payments') <sup>4</sup>	-	271
<b>Total Other Expenses</b>	<b>99 912</b>	<b>16 765</b>

<sup>1</sup> These figures reflect the payment of financial assistance made under the Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme) to homeowners and other affected residents. The decrease reflects the timing of when homeowners opted into the Scheme and become entitled to a financial assistance payment.

<sup>2</sup> The 2014-15 amount reflects the transfer of all vehicles from finance leases to operating leases following a change in the whole of government vehicle leasing arrangements with SG Fleet on 23 April 2015. As a result, the gross gain on the derecognition of the finance lease liability was \$4.292 million and the gross loss on the derecognition of the leased vehicles was \$4.415 million (refer Note 10, 'Other Gains'), reflecting a net loss of \$0.123 million due to the transfer. Also refer to Note 2(bb), 'Significant Accounting Policies: Leases'.

<sup>3</sup> This increase is due mainly to the 2015-16 transfer of completed capital works to the Territory and Municipal Services Directorate (TAMSD) (\$70 million), the Magistrate Court to Justice and Community Safety Directorate (JACSD) (\$21.8 million) and land and buildings to Land Development Agency (LDA) (\$3.7 million). The increase is partially offset by the 2014-15 transfer of completed capital works to other agencies, including TAMSD (\$1.1 million) and the LDA (\$1.3 million).

<sup>4</sup> The 2014-15 figure represents 22 Act of Grace payments made in relation to Extension of Time to Build Fees. There were no Act of Grace payments made during 2015-16.

**NOTE 19. TRANSFERS TO GOVERNMENT**

Transfers to Government represent the transfer of money, which the Directorate has collected on behalf of the Territory, to Government. The money collected on behalf of the Territory relates to the net proceeds from the sale of land remediated under the Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme).

Loose-Fill Asbestos Insulation Eradication Scheme Transfers <sup>1</sup>	370	-
<b>Total Transfer Expenses</b>	<b>370</b>	<b>-</b>

<sup>1</sup> This increase relates to the commencement of the land sales phase under the Scheme, and is the portion of the sales proceeds that exceeds the value of the Scheme land sold, less the direct cost of sale.

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**NOTE 20. ACT OF GRACE PAYMENTS**

Under Section 130 of the *Financial Management Act 1996* (FMA) the Treasurer, may in writing, authorise Act of Grace Payments to be made by a Directorate or a Territory Authority. Act of Grace Payments are a method of providing equitable remedies to entities or individuals that may have been unfairly disadvantaged by the ACT Government but have no legal claim to the payment.

In 2015-16, the Treasurer authorised no Act of Grace Payments (2014-15: 22). The 2014-15 payments related to Extension of Time to Build Fees, which do not legally entitle the applicants/recipients to compensation, however, as all were unfairly disadvantaged the Treasurer approved the Act of Grace Payments.

	2016 \$'000	2015 \$'000
Payment relating to Extension of Time to Build Fees	-	271
<b>Total Act of Grace Payments</b>	<b>-</b>	<b>271</b>

**NOTE 21. AUDITOR'S REMUNERATION**

Auditor's remuneration consists of financial audit services provided to the Directorate by the ACT Audit Office.

Audit Fees Paid or Payable to the ACT Audit Office for the audit of the Annual Financial Statements (AFS) of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) <sup>1</sup>	400	290
<b>Total Fees Paid to the ACT Audit Office for the audit of the CMTEDD AFS</b>	<b>400</b>	<b>290</b>

Financial audit services were also purchased from the Audit Office for the audit of the AFS of other entities.

Audit Fees Paid or Payable to the ACT Audit Office for the audit of the AFS of the:		
- Territory Banking Account	39	38
- Australian Capital Territory	139	139
<b>Total Fees Paid to the ACT Audit Office for the audit of the AFS of Other Entities</b>	<b>178</b>	<b>177</b>
<b>Total Fees Paid to the ACT Audit Office</b>	<b>578</b>	<b>467</b>

<sup>1</sup> This increase is due to the additional costs incurred by the Audit Office in performing the Directorate's financial audit due to the increased size and complexity of the Directorate since becoming CMTEDD.

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**NOTE 22. CASH AND CASH EQUIVALENTS**

The Directorate holds a number of bank accounts with the Westpac Banking Corporation as part of the whole of government banking arrangements. Under the cash management policies of the Territory, agencies are generally not entitled to earn interest on their bank accounts. The Directorate holds cash balances for:

- Operating - which includes working capital for the Directorate generally, Shared Services and the Loose-Fill Asbestos Insulation Eradication Scheme;
- Salary Packaging - which is funding received and dispersed for ACT Government employees on their behalf. The corresponding liability to these accounts is shown in Note 38, 'Other Liabilities'; and
- Human Resources Management System (HRMS) Salaries - which represents payroll funding received and dispersed for ACT Government directorates and agencies on their behalf.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash and Cash Equivalents</b>		
Cash on Hand	60	57
Cash at Bank		
- Operating Cash <sup>1</sup>	77 513	122 017
- Salary Packaging <sup>2</sup>	3 951	3 090
- Human Resource Management System (HRMS) Salaries <sup>2</sup>	911	762
<b>Total Cash and Cash Equivalents</b>	<b>82 435</b>	<b>125 926</b>

<sup>1</sup> This decrease is mainly due to a reduction in cash held to facilitate the prompt acquisition of properties under the Loose-Fill Asbestos Insulation Eradication Scheme (Scheme) as the purchase phase of the Scheme winds down. The decrease also reflects the timing of cash flows during the year, as reflected by the balance of outstanding receivables and payables balances as at 30 June 2016 compared to 30 June 2015.

<sup>2</sup> These increases reflect the timing of transactions associated with the payment of salaries to ACT Government employees.

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**NOTE 23. RECEIVABLES**

Receivables represent amounts owing to the Directorate relating to core activities, and includes the balance and interest owed to the Directorate for loan facilities provided to Community Housing Canberra Limited (CHC) (refer also Note 42, 'Financial Instruments').

The Directorate's receivables also include Home Loan Portfolio (HLP) loans receivable, for which CMTEDD is the first mortgagee for all of the related properties.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Receivables</b>		
Trade Receivables <sup>1</sup>	47 079	34 260
Less: Allowance for Impairment Losses	(1 825)	(1 998)
<b>Total Trade Receivables</b>	<b>45 254</b>	<b>32 262</b>
Extension of Time to Build Receivables	526	1 131
Less: Allowance for Impairment Losses	(162)	(141)
<b>Total Extension of Time to Build Receivables</b>	<b>364</b>	<b>990</b>
Other Receivables	5 049	4 104
Less: Allowance for Impairment Losses <sup>2</sup>	-	(196)
<b>Total Other Receivables</b>	<b>5 049</b>	<b>3 908</b>
Accrued Revenue <sup>3</sup>	27 256	12 868
Accrued Interest	10	-
Home Loans	298	298
Less: Allowance for Impairment Losses	(257)	(257)
Net GST Receivable from the Australian Taxation Office (ATO)	7 401	3 696
<b>Total Current Receivables</b>	<b>85 375</b>	<b>53 764</b>
<b>Non-Current Receivables</b>		
Extension of Time to Build Non-Current Receivables	-	3 604
Less: Allowance for Impairment Losses	-	(1 531)
Home Loans <sup>4</sup>	967	1 355
Less: Allowance for Impairment Losses	(831)	(1 168)
Loans Receivable - Community Housing Canberra Limited	68 112	68 112
<b>Total Non-Current Receivables</b>	<b>68 248</b>	<b>70 372</b>
<b>Total Receivables</b>	<b>153 623</b>	<b>124 136</b>

<sup>1</sup> This increase is largely due to a higher value of receivables owing to the Directorate's from other ACT Government agencies relating to the provision of procurement related services.

<sup>2</sup> The 2014-15 figure reflects the transfer of functions from the Health Directorate (HD), the Justice and Community Safety Directorate (JACSD), the Territory and Municipal Services Directorate (TAMSD) and the Environment and Planning Directorate (EPD) to CMTEDD to enable the establishment of Access Canberra. Once investigated, the impairment could not be substantiated, so was removed.

<sup>3</sup> This increase is mainly due to timing associated with the billing and receipt of payments for ICT, HR and Finance services provided by Shared Services to other ACT Government directorates and agencies. At 30 June 2016, a larger value of charges, largely for ICT services, remained unbilled compared to 30 June 2015.

<sup>4</sup> This decrease is due to the repayments by the borrowers for home loans.

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**NOTE 23. RECEIVABLES - CONTINUED**

**Ageing of Receivables**

	Not Overdue \$'000	Overdue			Total \$'000
		Less than 30 Days \$'000	30 to 60 Days \$'000	Greater than 60 Days \$'000	
<b>2016</b>					
<b>Not Impaired <sup>a</sup></b>					
Receivables <sup>1</sup>	127 502	10 718	1 210	14 193	<b>153 623</b>
<b>Impaired</b>					
Receivables	-	-	-	3 075	<b>3 075</b>
<b>2015</b>					
<b>Not Impaired <sup>a</sup></b>					
Receivables <sup>1</sup>	99 356	2 241	6 758	15 781	<b>124 136</b>
<b>Impaired</b>					
Receivables	-	-	-	5 291	<b>5 291</b>

<sup>a</sup> 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables).

<sup>1</sup> The overdue amounts largely result from other ACT Government entities not making timely payments for ICT and procurement services provided to them by the Directorate.

	<b>2016 \$'000</b>	<b>2015 \$'000</b>
<b>Reconciliation of the Allowance for Impairment Losses</b>		
<b>Allowance for Impairment Losses at the Beginning of the Reporting Period</b>	<b>(5 291)</b>	-
Increase in Impairment Losses - Transferred in Administrative Arrangements	-	(5 264)
Additional Allowance Recognised During the Reporting Period	(189)	(27)
Reduction in Allowance During the Reporting Period	2 405	-
<b>Allowance for Impairment Losses at the End of the Reporting Period</b>	<b>(3 075)</b>	<b>(5 291)</b>

**Classification of ACT Government/Non-ACT Government Receivables**

**Receivables from ACT Government Entities**

Net Trade Receivables	42 918	27 943
Accrued Revenue	26 780	11 576
Net Other Receivables	4 943	2 318
<b>Total Receivables from ACT Government Entities</b>	<b>74 641</b>	<b>41 837</b>

**Receivables from Non-ACT Government Entities**

Net Trade Receivables	2 336	3 106
Accrued Revenue	486	1 292
Net Extension of Time to Build Fees Receivable	364	3 063
Net Home Loans	177	228
Loan Receivable - Community Housing Canberra Limited	68 112	68 112
Net GST Receivable from the Australian Taxation Office	7 401	3 696
Net Other Receivables	106	2 802
<b>Total Receivables from Non-ACT Government Entities</b>	<b>78 982</b>	<b>82 299</b>

<b>Total Receivables</b>	<b>153 623</b>	<b>124 136</b>
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**NOTE 24. INVENTORIES**

The Directorate's inventories include Shared Services ICT related hardware, lighting inventory and security inventory held by the ACT Property Group, and tourism merchandise held for sale at the Canberra and Region Visitors Centre and the National Arboretum Canberra (NAC).

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Inventories</b>		
Purchased Items - Net Realisable Value	-	5
Purchased Items - Cost	1 237	277
<b>Total Inventories</b>	<b>1 237</b>	<b>282</b>
 <b>Carrying Amount at the Beginning of the Reporting Period</b>	 <b>282</b>	 <b>-</b>
Acquisition through Administrative Restructuring <sup>1</sup>	11	376
Purchased during the Reporting Period	1 285	-
Expensed during the Reporting Period	(341)	(94)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>1 237</b>	<b>282</b>

<sup>1</sup> The 2015-16 figure reflects the transfer of the NAC from the Territory and Municipal Services Directorate (TAMSD) following the Administrative Arrangements (AAs) of 22 January 2016. The 2014-15 figure represents the transfer of the former Commerce and Works Directorate (CWD) to CMTEDD following the AAs of 7 July 2014.

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**NOTE 25. ASSETS HELD FOR SALE**

The Directorate holds land remediated under the Loose-Fill Asbestos Insulation Eradication Scheme (Scheme) in assets held for sale once remediation is complete and the land is ready for sale (refer Note 2(y), 'Significant Accounting Policies: Loose-Fill Asbestos Insulation Eradication Scheme'. The reported values relate to 123 blocks as at 30 June 2016 (nil as at 30 June 2015).

	2016 \$'000	2015 \$'000
Scheme Land Held for Sale <sup>1</sup>	54 258	-
<b>Total Assets Held for Sale</b>	<b>54 258</b>	<b>-</b>

**Reconciliation of Assets Held for Sale**

<b>Scheme Land Carrying Amount at the Beginning of the Reporting Period</b>	-	-
Transfers in from Loose-Fill Asbestos Insulation Eradication Scheme Land	59 229	-
Sale of Remediated Scheme Land	(4 971)	-
<b>Scheme Land Carrying Amount at the End of the Reporting Period <sup>1</sup></b>	<b>54 258</b>	<b>-</b>

<sup>1</sup> This increase reflects the completion of remediation for the first blocks of land under the Scheme during 2015-16.

**Fair Value Hierarchy**

The Directorate is required to classify assets held for sale into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. Refer to Note 2(a), 'Significant Accounting Policies: Basis of Preparation', for more information.

Details of the Directorate's assets held for sale at fair value and information about the Fair Value Hierarchy as at 30 June 2016 are as follows:

	<b>Classification According to the Fair Value Hierarchy</b>			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Assets Held for Sale at Fair Value</b>				
Scheme Land Held for Sale	-	54 258	-	54 258
<b>Fair Value at end of period</b>	<b>-</b>	<b>54 258</b>	<b>-</b>	<b>54 258</b>

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**NOTE 26. INVESTMENT PROPERTIES**

The Directorate holds investment properties for the purpose of generating rental income. Both investments properties are located within the grounds of Exhibition Park in Canberra (EPIC). One is been generating returns for some time, while the other (which will be used to provide low cost accommodation) is under development and yet generate returns.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Land at Fair Value	5 410	2 600
<b>Total Land at Fair Value</b>	<b>5 410</b>	<b>2 600</b>
<b>Total Investment Properties</b>	<b>5 410</b>	<b>2 600</b>
<b>Income and Expense from Investment Properties</b>		
Rental Income	258	249
Less: Direct Operating Expenses of Investment Properties that Generated Investment Income	59	59
<b>Total Operating Profit from Investment Properties</b>	<b>199</b>	<b>190</b>

**Reconciliation of Investment Properties**

The following table shows the movements of the Investment Properties during 2015-16.

	<b>Land</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>2 600</b>	<b>2 600</b>
Additions <sup>1</sup>	1 299	1 299
Revaluation Increment/(Decrement)	1 511	1 511
<b>Carrying Amount at the End of the Reporting Period</b>	<b>5 410</b>	<b>5 410</b>

The following table shows the movements of the Investment Properties during 2014-15.

<b>Carrying Amount at the Beginning of the Reporting Period</b>	-	-
Acquisition/(Disposal) through Administrative Arrangements <sup>2</sup>	2 600	2 600
<b>Carrying Amount at the End of the Reporting Period</b>	<b>2 600</b>	<b>2 600</b>

<sup>1</sup> This reflects the acquisition of land (block 799, Gungahlin).

<sup>2</sup> This reflects the transfer of the former Exhibition Park Corporation (EPC) to the Directorate on 1 January 2015, following the repeal of the *Exhibition Park Corporation Act 1976*.

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**NOTE 26. INVESTMENT PROPERTIES - CONTINUED**

**Fair Value Hierarchy**

The Directorate is required to classify investment properties into a fair value hierarchy that reflects the significance of the inputs used in determining their fair value. Refer to Note 2(a), 'Significant Accounting Policies: Basis of Preparation', for more information.

Details of the Directorate's investment properties at fair value and information about the Fair Value Hierarchy as at 30 June 2016 are as follows:

	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Investment Properties at Fair Value</b>				
Land	-	5 410	-	5 410
<b>Total Investment Properties at Fair Value</b>	-	5 410	-	5 410

Details of the Directorate's investment properties at fair value and information about the Fair Value Hierarchy as at 30 June 2015 are as follows:

	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Investment Properties at Fair Value</b>				
Land	-	2 600	-	2 600
<b>Total Investment Properties at Fair Value</b>	-	2 600	-	2 600

**Transfers between Categories**

There have been no transfers between Levels 1, 2 and 3 during the reporting period.

**Valuation Techniques, Inputs and processes**

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

**Level 2 Valuation Techniques and Inputs**

The fair value of the investment properties were estimated by independent valuation undertaken by Certified Practicing Valuers for Opteon (ACT) Pty Ltd in June 2016.

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**NOTE 27. LOOSE-FILL ASBESTOS INSULATION ERADICATION SCHEME LAND**

*Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme) Land* is land acquired by the Directorate for the purpose of remediation. The Scheme commenced during the 2014-15 financial year for the purpose of remediation (refer Note 2(y), 'Significant Accounting Policies: Loose-Fill Asbestos Insulation Eradication Scheme'). The reported values relate to 752 blocks as at 30 June 2016 (599 blocks as at 30 June 2015).

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Loose-Fill Asbestos Insulation Eradication Scheme Land</b>		
Loose-Fill Asbestos Insulation Eradication Scheme Land at Cost <sup>1</sup>	368 246	282 617
<b>Total Loose-Fill Asbestos Insulation Eradication Scheme Land</b>	<b>368 246</b>	<b>282 617</b>

<sup>1</sup> The increase reflects the uncontaminated value of land purchased under the Loose-Fill Asbestos Insulation Eradication Scheme, partially offset by the transfer of remediated land to Assets Held for Sale.

The following table shows the movement of Loose-Fill Asbestos Insulation Eradication Scheme Land during 2015-16.

	<b>Scheme Land</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>282 617</b>	<b>282 617</b>
Additions	144 858	<b>144 858</b>
Assets Classified as Held for Sale	(59 229)	<b>(59 229)</b>
<b>Carrying Amount at the End of the Reporting Period</b>	<b>368 246</b>	<b>368 246</b>

The following table shows the movement of Loose-Fill Asbestos Insulation Eradication Scheme Land during 2014-15.

<b>Carrying Amount at the Beginning of the Reporting Period</b>	-	-
Additions	282 617	<b>282 617</b>
<b>Carrying Amount at the End of the Reporting Period</b>	<b>282 617</b>	<b>282 617</b>

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**NOTE 28. PROPERTY, PLANT AND EQUIPMENT**

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

- *Land*: includes leasehold land held by the Directorate, but excludes Loose-Fill Asbestos Insulation Eradication Scheme Land (refer Note 27, 'Loose-Fill Asbestos Insulation Eradication Scheme Land').
- *Land Improvements*: are improvements to land in support of a sporting facility or activity.
- *Buildings*: include office buildings, pavilions, perimeter fencing, amenity blocks, boat sheds, storage sheds at sporting facilities, the Canberra and Region Visitors Centre and buildings at the Exhibition Park in Canberra (EPIC), Manuka Oval and Stromlo Forest Park.
- *Leasehold Improvements*: represent capital expenditure incurred in relation to leased assets. These include fit-outs of leased buildings used for administrative purposes.
- *Plant and Equipment*: includes mobile plant, air conditioning and heating systems, catering equipment, grounds and maintenance equipment, office and computer equipment, furniture and fittings, and other mechanical and electronic equipment. It also includes ICT equipment purchased outright.
- *Community and Heritage Assets*: are defined as those non-current assets that the ACT Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or for redeployment. Community and Heritage assets are those assets that are provided essentially for general community use or services. Community and Heritage assets held by the Directorate include various public artworks around Canberra developed and maintained by artsACT, historical buildings, memorials, public sporting facilities and trees located at the National Arboretum Canberra.
- *Infrastructure Assets*: comprise public utilities that provide essential services and enhance the productive capacity of the economy. Infrastructure assets held by the Directorate include data network infrastructure assets, data centre refurbishment and a range of assets utilised for Whole of Government data storage and applications management, site improvement, irrigation systems, lighting systems and car parks, fences, gates and electrical upgrades. Land under infrastructure is not included in infrastructure assets, except, when owned by the Directorate it is included in land assets.

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**NOTE 28. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

	2016 \$'000	2015 \$'000
<b>LAND, LAND IMPROVEMENTS AND BUILDINGS</b>		
Land at Fair Value	245 153	248 453
<b>Total Land at Fair Value</b>	<b>245 153</b>	<b>248 453</b>
Land Improvements at Fair Value	216 637	216 236
Less Accumulated Depreciation	(51 553)	(34 543)
<b>Total Land Improvements</b>	<b>165 084</b>	<b>181 693</b>
Buildings at Fair Value <sup>1</sup>	459 649	472 933
Less: Accumulated Depreciation <sup>2</sup>	(24 846)	(14 173)
Less: Accumulated Impairment Losses	(863)	(257)
<b>Total Written-Down Value of Buildings</b>	<b>433 940</b>	<b>458 503</b>
<b>Total Written Down Value of Land, Land Improvements and Buildings</b>	<b>844 177</b>	<b>888 649</b>
<b>LEASEHOLD IMPROVEMENTS</b>		
Leasehold Improvements at Fair Value <sup>3</sup>	25 490	20 467
Less: Accumulated Depreciation	(9 005)	(7 662)
<b>Total Written-Down Value of Leasehold Improvements</b>	<b>16 485</b>	<b>12 805</b>
<b>PLANT AND EQUIPMENT</b>		
Plant and Equipment at Cost <sup>3, 4, 5</sup>	99 983	85 547
Less: Accumulated Depreciation	(28 876)	(21 079)
<b>Total Written-Down Value of Plant and Equipment</b>	<b>71 107</b>	<b>64 468</b>
<b>COMMUNITY AND HERITAGE ASSETS</b>		
Community and Heritage Assets at Fair Value <sup>5, 6</sup>	251 323	239 233
<b>Total Written-Down Value of Community and Heritage Assets</b>	<b>251 323</b>	<b>239 233</b>
<b>INFRASTRUCTURE</b>		
Leasehold Improvements at Fair Value <sup>5, 7</sup>	79 189	65 781
Less: Accumulated Depreciation	(33 937)	(19 832)
<b>Total Written-Down Value of Infrastructure Assets</b>	<b>45 252</b>	<b>45 949</b>
<b>Total Written-Down Value of Property, Plant and Equipment</b>	<b>1 228 344</b>	<b>1 251 104</b>

<sup>1</sup> This decrease largely reflects the net transfer of assets out of the Directorate during the year and the transfer of completed capital works to property, plant and equipment, and a revaluation decrement (refer to Note 39, 'Asset Revaluation Surplus').

<sup>2</sup> This increase largely reflects the full year impact of accumulating depreciation due to the transfer of buildings to the Directorate following the Administrative Arrangements (AAs) and other transfers that impacted CMTEDD during 2014-15. This is partially offset by the transfer of buildings and the associated accumulated depreciation out of the Directorate during the year (refer to the Reconciliation of Property, Plant and Equipment).

<sup>3</sup> These increases include the impact of asset additions due to office fitouts in Winyu House, Gungahlin, and the Canberra Nara Centre.

<sup>4</sup> This increase is also contributed to by the installation of new parking machines.

<sup>5</sup> These increases are impacted by the transfer of the National Arboretum Canberra (NAC) to CMTEDD from the Territory and Municipal Services Directorate (TAMSD) following the AAs of 22 January 2016.

<sup>6</sup> This increase also reflects asset additions to arts facilities at the Gorman House Multi Arts Hub and the Ainslie Music Hub.

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**NOTE 28. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

<sup>7</sup> This increase also includes the addition of ICT infrastructure server and digital networking assets.

**Assets Under a Finance Lease**

The Directorate had no Assets Under a Finance Lease as at 30 June 2016.

**Valuation of Non-Current Assets**

A number of independent valuers perform revaluation on the Directorate's assets, and valuations are undertaken on a 3 year rolling basis. The latest valuations were undertaken by Certified Practicing Valuers for:

- Allbids Liquidity Partners in June 2013 on Economic Development related Infrastructure Assets;
- AON Valuers in April 2014 on Access Canberra related Plant and Equipment and Leasehold Improvement Assets;
- Colliers International Pty Ltd in June 2014 on Economic Development related Land Assets;
- Colliers International Pty Ltd in June 2015 on ACT Property Group (ACTPG) related Community and Heritage, Land Improvements and Building Assets;
- Opteon (ACT) Pty Ltd in June 2016 on Exhibition Park in Canberra (EPIC) related Investment Properties and Access Canberra related Computer Software and Plant and Equipment, which resulted in a downwards re-valuation of software and upwards re-valuations of an investment property and plant and equipment;
- Egan National Valuers (ACT) in June 2016 on Buildings, ACTPG related Land Improvements and Land Assets, which resulted in a net downward re-valuation of these assets; and
- The ACT Valuation Office in June 2016 on National Arboretum Canberra (NAC) related Infrastructure Assets, and resulted in a net upwards re-valuation.

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**NOTE 28. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2015-16.

	Property, Plant and Equipment							Total \$'000
	Land \$'000	Land Improvements \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Community and Heritage Assets \$'000	Infrastructure Assets \$'000	
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>248 453</b>	<b>181 693</b>	<b>458 503</b>	<b>12 805</b>	<b>64 468</b>	<b>239 233</b>	<b>45 949</b>	<b>1 251 104</b>
Acquisition/(Disposal) through Administrative Restructuring	30	-	18 591	-	5 426	16 772	11 372	52 191
Additions	-	400	5 171	5 520	17 330	-	734	29 155
Completed Capital Works Transferred in from Capital Works in Progress	-	-	10 808	1 616	27	4 016	7 516	23 983
Disposal	-	-	-	(1 936)	(4 132)	-	(1 367)	(7 435)
Assets Transferred to other agencies <sup>1</sup>	(13 991)	-	(24 898)	-	-	-	-	(38 889)
Revaluation Increment/(Decrement) <sup>2</sup>	1 466	(16)	(14 294)	61	-	(1 173)	827	(13 129)
Impairment Losses Recognised in the Asset Revaluation Reserve	-	-	(607)	-	-	-	-	(607)
Depreciation	-	(17 647)	(19 349)	(4 103)	(11 159)	(2 127)	(14 979)	(69 364)
Impairment Losses Recognised in the Operating Surplus/(Deficit)	-	-	-	-	(221)	-	-	(221)
Other Movements <sup>3</sup>	9 195	654	15	2 522	(632)	(5 398)	(4 800)	1 556
<b>Carrying Amount at the End of the Reporting Period</b>	<b>245 153</b>	<b>165 084</b>	<b>433 940</b>	<b>16 485</b>	<b>71 107</b>	<b>251 323</b>	<b>45 252</b>	<b>1 228 344</b>

<sup>1</sup> These movements reflect the transfer of Magistrates Court land and buildings to the Justice and Community Safety Directorate (JACSD), Narrabundah Business Park and Higgins Preschool land and buildings to the Land Development Agency (LDA), and the Woden Valley Childcare Centre land to the Health Directorate (HD).

<sup>2</sup> The decrease in Buildings results from the revaluation of ACT Property Group (ACTPG) buildings, which took into consideration recent sales evidence of similar properties.

<sup>3</sup> The decrease in Community and Heritage Assets is largely due to a reclassification of \$5.684 million to Land Assets to correct the allocation of the Asset Revaluation Reserve between classes of assets.

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**NOTE 28. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

The following table shows the movement of Property, Plant and Equipment during 2014-15.

	Property, Plant and Equipment							
	Land \$'000	Land Improvements \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Community and Heritage Assets \$'000	Infrastructure Assets \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	-	-	-	955	196	-	-	1 151
Acquisition/(Disposal) through Administrative Restructuring	214 664	199 244	468 040	14 349	66 146	234 007	60 535	1 256 985
Completed Capital Work Transferred in from Capital Works in Progress	-	-	8 204	-	14 041	-	-	22 245
Revaluation Increment/(Decrement)	33 790	-	(1 412)	-	-	6 353	-	38 731
Impairment Losses Recognised in other Comprehensive Income	-	-	(257)	-	-	-	-	(257)
Depreciation	-	(17 551)	(16 072)	(2 499)	(11 500)	(1 127)	(14 586)	(63 335)
Other Movements	-	-	-	-	(4 415)	-	-	(4 415)
Carrying Amount at the End of the Reporting Period	248 453	181 693	458 503	12 805	64 468	239 233	45 949	1 251 104

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**NOTE 28. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Fair Value Hierarchy**

The Directorate is required to classify property, plant and equipment at fair value into a fair value hierarchy that reflects the significance of the inputs used in determining their fair value. Refer to Note 2(a), 'Significant Accounting Policies: Basis of Preparation', for more information.

Details of the Directorate's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June 2016 are as follows:

<b>2016</b>	<b>Classification According to the Fair Value Hierarchy</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Property, Plant and Equipment at Fair Value</b>				
Land	-	49 193	195 960	<b>245 153</b>
Land Improvements	-	-	165 084	<b>165 084</b>
Buildings	-	433 940	-	<b>433 940</b>
Leasehold Improvements	-	-	16 485	<b>16 485</b>
Community and Heritage Assets	-	16 589	234 734	<b>251 323</b>
Infrastructure Assets	-	-	45 252	<b>45 252</b>
<b>Total Property, Plant and Equipment at Fair Value</b>	<b>-</b>	<b>499 722</b>	<b>657 515</b>	<b>1 157 237</b>

Details of the Directorate's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June 2015 are as follows:

<b>2015</b>	<b>Classification According to the Fair Value Hierarchy</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Property, Plant and Equipment at Fair Value</b>				
Land	-	8 369	240 084	<b>248 453</b>
Land Improvements	-	-	181 693	<b>181 693</b>
Buildings	-	458 503	-	<b>458 503</b>
Leasehold Improvements	-	-	12 805	<b>12 805</b>
Community and Heritage Assets	-	-	239 233	<b>239 233</b>
Infrastructure Assets	-	-	45 949	<b>45 949</b>
<b>Total Property, Plant and Equipment at Fair Value</b>	<b>-</b>	<b>466 872</b>	<b>719 764</b>	<b>1 186 636</b>

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**NOTE 28. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Transfers between Categories**

There has been a transfer of \$40.8 million in Land Assets and \$16.6 million in Community and Heritage Assets from Level 3 to Level 2 during the reporting period. This transfer reflects the use of observable market transactions and information about similar properties in the 2016 valuation.

**Valuation Techniques, Inputs and processes**

**Level 2 Valuation Techniques and Inputs**

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

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

**Level 3 Valuation Techniques and Inputs**

Valuation Technique: land improvements, leasehold improvements, plant and equipment, infrastructure assets, and some land and community and heritage assets were considered specialised assets by the valuers and measured using the cost approach that reflects 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.

Inputs: In determining the value of building assets regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to the Directorate.

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

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**NOTE 28. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

2016	Property, Plant and Equipment - Fair Values						
				Community			
	Land	Leasehold	Land	Leasehold	Heritage	Infrastructure	Total
	Improvements	Improvements	Improvements	Improvements	Assets	Assets	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fair Value at the Beginning of the Reporting Period</b>	<b>240 084</b>	<b>181 693</b>	<b>12 805</b>	<b>239 233</b>	<b>45 949</b>	<b>719 764</b>	
Acquisition/(Disposal) through Administrative Restructuring	-	-	-	16 772	11 372	28 144	
Additions	-	400	5 520	-	734	6 654	
Completed Capital Works Transferred in from Capital Works in Progress	-	-	1 616	4 016	7 516	13 148	
Disposals	-	-	(1 936)	-	(1 367)	(3 303)	
Assets transferred out to other agencies	(13 991)	-	-	-	-	(13 991)	
Assets classified as level 2 fair value hierarchy	(40 824)	-	-	(16 589)	-	(57 413)	
Revaluation Increment/(Decrement) recognised in Other Comprehensive Income	7 150	(16)	61	(1 173)	827	6 849	
Depreciation	-	(17 647)	(4 103)	(2 127)	(14 979)	(38 856)	
Other Movements	3 540	654	2 522	(5 397)	(4 800)	(3 481)	
<b>Fair Value at the End of the Reporting Period</b>	<b>195 960</b>	<b>165 084</b>	<b>16 485</b>	<b>234 734</b>	<b>45 252</b>	<b>657 515</b>	

2015	Property, Plant and Equipment - Fair Values						
				Community			
	Land	Leasehold	Land	Leasehold	Heritage	Infrastructure	Total
	Improvements	Improvements	Improvements	Improvements	Assets	Assets	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fair Value at the Beginning of the Reporting Period</b>	<b>206 295</b>	<b>199 244</b>	<b>14 349</b>	<b>234 007</b>	<b>60 535</b>	<b>714 430</b>	
Acquisition/(Disposal) through Administrative Restructuring	33 790	-	-	6 353	-	40 143	
Revaluation Increment/(Decrement) recognised in Other Comprehensive Income	-	(17 551)	(2 499)	(1 127)	(14 586)	(35 763)	
Depreciation	-	-	955	-	-	955	
Other Movements	-	-	-	-	-	-	
<b>Fair Value at the End of the Reporting Period</b>	<b>240 084</b>	<b>181 693</b>	<b>12 805</b>	<b>239 233</b>	<b>45 949</b>	<b>719 764</b>	

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**NOTE 28. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Information about Significant Unobservable Inputs (Level 3) in Fair Value Measurements**

Item	Fair Value as at 30 June		Significant Unobservable Inputs
	2016 \$'000	2015 \$'000	
Valuation Technique: Market Approach			
Land	195 960	240 084	Historical cost per square metre floor area (m <sup>2</sup> )
Land Improvements	165 084	181 693	Consumed economic benefit/ obsolescence of asset
			National Parks and Recreation Assets Condition Grading Standards (PRAMS)
Leasehold Improvements	16 485	12 805	Consumed economic benefit/ obsolescence of asset
Community and Heritage Assets	234 734	239 233	Historical cost per square metre floor area (m <sup>2</sup> )
			Consumed economic benefit/ obsolescence of asset
Infrastructure Assets	45 252	45 949	Consumed economic benefit/ obsolescence of asset

**Assets where the current use is not highest and best use**

The Directorate considers that the current use of all property, plant and equipment assets is the highest and best use of those assets.

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**NOTE 29. INTANGIBLE ASSETS**

The Directorate has internally generated software, including the whole of government finance system, banking, accident and injury prevention and management information systems and the taxation revenue systems. Externally purchased software includes the HRMS (Chris21) Payroll Software, the Procurement Business System and TM1 Reporting Software. Other intangible assets relate to a 20 year licence held with the Commonwealth that grants usage of the Canberra Business and Events Centre (CBEC) to the Directorate.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Computer Software at Cost</b>		
<i>Internally Generated Software</i>		
Computer Software at Cost	22 162	23 619
Less: Accumulated Amortisation	(9 253)	(12 044)
<i>Total Internally Generated Software</i>	<b>12 909</b>	<b>11 575</b>
<i>Externally Generated Software</i>		
Computer Software at Cost	13 165	12 203
Less: Accumulated Amortisation	(11 570)	(11 142)
<i>Total Externally Generated Software</i>	<b>1 595</b>	<b>1 061</b>
<b>Total Computer Software</b>	<b>14 502</b>	<b>12 636</b>
<b>Other Intangibles</b>		
Other Intangible Assets at Cost	3 216	3 561
Less: Accumulated Amortisation	(3 216)	(1 639)
<i>Total Externally Purchased Other Intangibles</i>	<b>-</b>	<b>1 922</b>
<b>Total Other Intangibles</b>	<b>-</b>	<b>1 922</b>
<b>Total Intangible Assets</b>	<b>14 502</b>	<b>14 558</b>

**Reconciliation of Intangible Assets**

The following table shows the movement of each class of Intangible Assets, distinguishing between internally generated and externally purchased intangibles during 2015-16.

	<b>Internally Generated Software \$'000</b>	<b>Externally Generated Software \$'000</b>	<b>Externally Purchased Other Intangibles \$'000</b>	<b>Total \$'000</b>
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>11 575</b>	<b>1 061</b>	<b>1 922</b>	<b>14 558</b>
Additions	15 186	4 931	-	<b>20 117</b>
Acquisition/(Disposal) through Administrative Restructuring	-	1 628	-	<b>1 628</b>
Disposals	(11 510)	(4 331)	(1 769)	<b>(17 610)</b>
Capital Works in Progress Completed and Transferred to Intangibles	-	440	-	<b>440</b>
Impairment Losses recognised in the Operating Surplus/(Deficit)	-	(21)	-	<b>(21)</b>
Amortisation	(2 342)	(2 261)	(153)	<b>(4 756)</b>
Other	-	148	-	<b>148</b>
<b>Carrying Amount at the End of the Reporting Period</b>	<b>12 909</b>	<b>1 595</b>	<b>-</b>	<b>14 502</b>

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**NOTE 29. INTANGIBLE ASSETS - CONTINUED**

The following table shows the movement of each class of Intangible Assets, distinguishing between internally generated and externally purchased intangibles during 2014-15.

	Internally Generated Software \$'000	Externally Generated Software \$'000	Externally Purchased Other Intangibles \$'000	Total \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>8 933</b>	<b>-</b>	<b>-</b>	<b>8 933</b>
Additions	5 050	2 077	2 150	<b>9 277</b>
Amortisation	(2 408)	(1 016)	(228)	<b>(3 652)</b>
<b>Carrying Amount at the End of the Reporting Period</b>	<b>11 575</b>	<b>1 061</b>	<b>1 922</b>	<b>14 558</b>

**NOTE 30. CAPITAL WORKS IN PROGRESS**

Capital Works in Progress are assets being constructed over periods of time in excess of the present reporting period. These assets often require extensive installation work or integration with other assets, and contrast with simpler assets that are ready for use when acquired, such as motor vehicles and equipment. Capital Works in Progress are not depreciated as the Directorate is not currently deriving any economic benefits from them.

For the purpose of this report, Capital Works in Progress have been grouped consistent to the asset classes included in the Directorate's property, plant and equipment. Refer Note 28, 'Property, Plant and Equipment', for a description of assets that may be under construction at any given time.

Infrastructure Works in Progress largely reflect roads, bridges and stormwater assets, most of which will be transferred to other ACT Government agencies after their completion.

	<b>2016 \$'000</b>	<b>2015 \$'000</b>
<b>Capital Works in Progress</b>		
Buildings and Leasehold Improvements	91 592	7 496
Plant and Equipment	4 724	3 672
Community and Heritage	17 934	18 487
Infrastructure	234 029	238 744
Other	20 151	20 198
<b>Total Capital Works in Progress <sup>1</sup></b>	<b>368 430</b>	<b>288 597</b>

<sup>1</sup> The movements from 2014-15 to 2015-16 are explained in the following table.

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**NOTE 30. CAPITAL WORKS IN PROGRESS - CONTINUED**

**Reconciliation of Capital Works in Progress**

The following table shows the movement of Capital Works in Progress during 2015-16.

	Buildings and Leasehold Improvements in Progress \$'000	Plant and Equipment Works in Progress \$'000	Heritage and Community Works in Progress \$'000	Infrastructure Works in Progress \$'000	Other Works in Progress \$'000	Total Works in Progress \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>7 496</b>	<b>3 672</b>	<b>18 487</b>	<b>238 744</b>	<b>20 198</b>	<b>288 597</b>
Acquisition through Administrative Restructuring <sup>1</sup>	1 983	-	-	-	-	1 983
Additions	131 465	1 079	3 463	72 798	392	209 197
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(12 424)	(27)	(4 016)	(7 516)	-	(23 983)
Capital Works in Progress Completed and Transferred to Intangible Assets	-	-	-	-	(439)	(439)
Capital Works in Progress Completed and Transferred to Other Agencies <sup>2</sup>	(36 928)	-	-	(69 997)	-	(106 925)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>91 592</b>	<b>4 724</b>	<b>17 934</b>	<b>234 029</b>	<b>20 151</b>	<b>368 430</b>

<sup>1</sup> This reflects the transfer of the National Arboretum Canberra (NAC) from the Territory and Municipal Services Directorate (TAMSD) following the Administrative Arrangements (AAs) of 22 January 2016.

<sup>2</sup> These figures reflect the transfer of public housing renewal related properties to Housing ACT and completed infrastructure projects to TAMSD.

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**NOTE 30. CAPITAL WORKS IN PROGRESS - CONTINUED**

The following table shows the movement of Capital Works in Progress during 2014-15.

	Buildings and Leasehold Improvements	Plant and Equipment	Heritage and Community	Infrastructure	Other	Total
	Works in Progress \$'000	Works in Progress \$'000	Works in Progress \$'000	Works in Progress \$'000	Works in Progress \$'000	Works in Progress \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>						
Acquisition through Administrative Restructuring <sup>1</sup>	(1 779)	3 305	21 052	185 132	18 634	226 344
Acquisition through other Transfers <sup>2</sup>	-	-	-	-	4 983	4 983
Additions <sup>1</sup>	17 479	2 852	(2 565)	53 612	8 137	79 515
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(8 204)	(2 485)	-	-	(11 556)	(22 245)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>7 496</b>	<b>3 672</b>	<b>18 487</b>	<b>238 744</b>	<b>20 198</b>	<b>288 597</b>

<sup>1</sup> The negative figures reflect the reclassification between Capital Works in Progress types after works on various projects had commenced.

<sup>2</sup> This reflects the transfer of Childcare Centre works in progress into the ACT Property Group from the then Education and Training Directorate (ETD), effective from 1 February 2015.

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**NOTE 31. OTHER ASSETS**

The Directorate's Other Assets largely consist of prepaid licence and maintenance costs for Microsoft, Oracle E-Business Suite, Frontier, VMWARE, Adobe Creative Cloud and CISCO IP Telephony software, prepayments of rent leased by Property Group and prepayments made to suppliers for services provided in preparation for Floriade and other events.

	2016 \$'000	2015 \$'000
<b>Current Other Assets</b>		
Prepayments:		
- Rent	2 605	2 643
- Floriade and NightFest Events <sup>1</sup>	1 139	723
- Loose-Fill Asbestos Insulation Eradication (the Scheme) - Property Demolition and Land Remediation Works <sup>2</sup>	584	733
- Other <sup>3</sup>	4 239	3 855
Other <sup>4</sup>	385	-
<b>Total Current Other Assets</b>	<b>8 952</b>	<b>7 954</b>
<b>Non-Current Other Assets</b>		
Prepayments <sup>3</sup>	430	196
<b>Total Non-Current Other Assets</b>	<b>430</b>	<b>196</b>
<b>Total Other Assets</b>	<b>9 382</b>	<b>8 150</b>

<sup>1</sup> The increase is due to timing of prepayments associated with the Floriade and NightFest events, including the use of portable garden beds, which were not used in last year's events.

<sup>2</sup> This decrease reflects the timing of prepayments associated with the demolition and remediation associated with the Scheme.

<sup>3</sup> These increases are mainly due to payments made close to the end of the financial year for various ICT and other contracts.

<sup>4</sup> This increase mostly relates to recoverable expenses for project work undertaken on behalf of other agencies by the ACT Property Group.

**NOTE 32. BANK OVERDRAFT**

The Directorate holds a bank overdraft to provide extra working capital to enable payment to external parties for completed capital works related activities prior to invoicing other ACT Government agencies on a 'cost recovery' basis for work managed on their behalf. The Directorate is not charged interest on any bank overdrafts.

Bank Overdraft - Procurement Operating <sup>1</sup>	37 498	13 403
<b>Total Bank Overdraft</b>	<b>37 498</b>	<b>13 403</b>

<sup>1</sup> This increase is largely due to the timing of recoveries from other ACT Government agencies for work undertaken on their behalf by Procurement and Capital Works.

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**NOTE 33. PAYABLES**

	2016 \$'000	2015 \$'000
<b>Current Payables</b>		
Trade Payables <sup>1</sup>	11 035	8 729
Accrued Expenses <sup>2</sup>	51 557	14 417
Other Payables <sup>3</sup>	4 639	8 178
<b>Total Current Payables</b>	<b>67 231</b>	<b>31 324</b>
<b>Non-Current Payables</b>		
Other Payables	90	124
<b>Total Non-Current Payables</b>	<b>90</b>	<b>124</b>
<b>Total Payables</b>	<b>67 321</b>	<b>31 448</b>
<b>Payables are aged as follows:</b>		
Not Overdue	67 135	30 159
Overdue for Less than 30 Days	26	211
Overdue for 30 to 60 Days	70	20
Overdue for More than 60 Days	-	91
Not Overdue - Non-Current	90	967
<b>Total Payables</b>	<b>67 321</b>	<b>31 448</b>
<b>Classification of ACT Government/Non-ACT Government Payables</b>		
<b>Payables with ACT Government Entities</b>		
Trade Payables	2 191	40
Accrued Expenses	32 957	1 213
Other Payables	4 670	8 480
<b>Total Payables with ACT Government Entities</b>	<b>39 818</b>	<b>9 733</b>
<b>Payables with Non-ACT Government Entities</b>		
Trade Payables	8 844	8 689
Accrued Expenses	18 600	13 204
Other Payables	59	(178)
<b>Total Payables with Non-ACT Government Entities</b>	<b>27 503</b>	<b>21 715</b>
<b>Total Payables</b>	<b>67 321</b>	<b>31 448</b>

<sup>1</sup> This increase is largely due to a larger value of goods and services received near the end of the 2015-16 financial year for payment in 2014-15, compared to last year.

<sup>2</sup> This increase is mainly due to the impact of the transfer of Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) to CMTEDD following the Administrative Arrangements (AAs) of 22 January 2016, and the timing of payments associated with work done for the public housing renewal project.

<sup>3</sup> This decrease is largely due to the payment to JACSD for amounts outstanding as at 30 June 2015 resulting from the transfer of the Office of Regulatory Services (ORS) following the AAs of 15 December 2014.

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**NOTE 34. BORROWINGS**

The Directorate has 8 Carbon Neutral Government Fund loans from the Environment and Planning Directorate (EPD) to fund a range of projects, including LED lighting projects, upgrades to Heating, Ventilation and Cooling (HVAC) systems, boiler burners and the installation of solar lighting at the National Arboretum Canberra (NAC). These borrowings are non-interest bearing and are repayable in equal instalments over between 2 and 6 years, depending on the loan.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Borrowings</b>		
Borrowings <sup>1</sup>	729	842
<b>Total Current Borrowings</b>	<b>729</b>	<b>842</b>
<b>Non Current Borrowings</b>		
Borrowings <sup>1</sup>	256	826
<b>Total Non-Current Borrowings</b>	<b>256</b>	<b>826</b>
<b>Total Borrowings</b>	<b>985</b>	<b>1 668</b>

<sup>1</sup> These decreases mainly reflect repayments made to EPD during the year by the Exhibition Park in Canberra (EPIC) and the ACT Property Group.

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**NOTE 35. INTEREST-BEARING LIABILITIES**

The Directorate's interest-bearing liabilities include loans from the Territory Banking Account (TBA) for onpassage to Community Housing Canberra (CHC) and for the Exhibition Park in Canberra (EPIC) to enable the purchase of a block of land in Gungahlin for the purpose of leasing the block to a third party to develop and operate low cost accommodation facilities (refer Note 2(aa), 'Interest-Bearing Liabilities' and Note 2(p), 'Receivables').

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Interest-Bearing Liabilities</b>		
<b>Unsecured</b>		
ACT Government Borrowings	51	-
<b>Total Current Unsecured Interest-Bearing Liabilities</b>	<b>51</b>	<b>-</b>
<b>Total Current Interest-Bearing Liabilities</b>	<b>51</b>	<b>-</b>
<b>Non-Current Interest-Bearing Liabilities</b>		
<b>Unsecured</b>		
ACT Government Borrowings	69 561	69 612
<b>Total Non-Current Unsecured Interest-Bearing Liabilities</b>	<b>69 561</b>	<b>69 612</b>
<b>Total Non-Current Interest-Bearing Liabilities</b>	<b>69 561</b>	<b>69 612</b>
<b>Total Interest-Bearing Liabilities</b>	<b>69 612</b>	<b>69 612</b>
<b>Classification on the Balance Sheet</b>		
<b>Interest-Bearing Liabilities</b>		
Current Interest-Bearing Liabilities	51	-
Non-Current Interest-Bearing Liabilities	69 561	69 612
<b>Total Interest-Bearing Liabilities</b>	<b>69 612</b>	<b>69 612</b>

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**NOTE 36. EMPLOYEE BENEFITS**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Employee Benefits</b>		
Annual Leave <sup>1,3</sup>	29 343	24 549
Long Service Leave <sup>2,3</sup>	47 840	42 870
Accrued Salaries <sup>4</sup>	4 858	16 676
Accrued Superannuation <sup>4</sup>	138	2 403
Other Employee Benefits	100	60
<b>Total Current Employee Benefits</b>	<b>82 279</b>	<b>86 558</b>
<b>Non-Current Employee Benefits</b>		
Long Service Leave <sup>2</sup>	6 133	4 903
<b>Total Non-Current Employee Benefits</b>	<b>6 133</b>	<b>4 903</b>
<b>Total Employee Benefits</b>	<b>88 412</b>	<b>91 461</b>

At the end of the 2015-16 financial year, the Directorate had 2,422.5 Full Time Equivalent (FTE) staff (including 0.8 FTE staff for the Default Insurance Fund (DIF)). There were 2,363 FTE staff as at 30 June 2015 (including 2 FTE staff for DIF). The increase in the number of FTEs at the end of the 2015-16 financial year is mainly due to the impact of the Administrative Arrangements (AAs) during the year (refer Note 1(a), 'Objectives of the Chief Minister, Treasury and Economic Development Directorate: Administrative Restructuring During 2015-16').

<sup>1</sup> This increase results from a change in the rate used to calculate the value of future annual leave payments from 101.0% to 101.4%.

<sup>2</sup> These increases are due to a change in the rate used to calculate the value of future long service leave payments from 104.2% to 114.7%.

<sup>3</sup> These increases also include the impact of the transfers of the National Arboretum Canberra (NAC) from the Territory and Municipal Services Directorate (TAMSD) and Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) following the Administrative Arrangements (AAs) of 22 January 2016, partially offset by voluntary redundancies, resignations and retirements during the year.

<sup>4</sup> These decreases mainly reflect a variation in the number of days salaries were owed to employees as at 30 June 2016 (1 day) compared to 30 June 2015 (13 days).

**Estimate of when Leave is Payable**

**Estimated Amount Payable within 12 months**

Annual Leave	13 874	12 410
Long Service Leave	2 950	2 638
Accrued Salaries	4 858	16 676
Accrued Superannuation	138	2 403
Other Benefits	100	60
<b>Total Employee Benefits Payable within 12 months</b>	<b>21 920</b>	<b>34 187</b>

**Estimated Amount Payable after 12 months**

Annual Leave	15 463	12 139
Long Service Leave	51 029	45 135
<b>Total Employee Benefits Payable after 12 months</b>	<b>66 492</b>	<b>57 274</b>
<b>Total Employee Benefits</b>	<b>88 412</b>	<b>91 461</b>

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**NOTE 37. OTHER PROVISIONS**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Other Provisions</b>		
Provision for Loose-Fill Asbestos Insulation Eradication Scheme Purchase of Asbestos Affected Homes <sup>1</sup>	42 991	108 451
Provision for Loose-Fill Asbestos Insulation Eradication Scheme Building Demolitions and Land Remediation <sup>2</sup>	66 251	23 736
Provision for Make Good <sup>3</sup>	219	73
<b>Total Current Other Provisions</b>	<b>109 461</b>	<b>132 260</b>
<b>Non-Current Other Provisions</b>		
Provision for Loose-Fill Asbestos Insulation Eradication Scheme Building Demolitions and Land Remediation <sup>2</sup>	52 940	71 206
Provision for Make Good <sup>3</sup>	956	784
<b>Total Non-Current Other Provision</b>	<b>53 896</b>	<b>71 990</b>
<b>Total Other Provisions</b>	<b>163 357</b>	<b>204 250</b>
 <b>Reconciliation of the Provision for Loose-Fill Asbestos Insulation Eradication Scheme Purchase of Asbestos Affected Homes</b>		
<b>Provision for Loose-Fill Asbestos Insulation Eradication Scheme Purchase of Asbestos Affected Homes at the Beginning of the Reporting Period</b>	<b>108 451</b>	<b>-</b>
Additional Provision Recognised	52 558	108 451
Reduction in the Provision as a Result of Property Purchases	(119 714)	-
Increase/(Decrease) in the Provision due to a Change in Accounting Estimate	1 696	-
<b>Provision for Loose-Fill Asbestos Insulation Eradication Scheme Purchase of Asbestos Affected Homes at the End of the Reporting Period <sup>1</sup></b>	<b>42 991</b>	<b>108 451</b>
 <b>Reconciliation of the Provision for Loose-Fill Asbestos Insulation Eradication Scheme Building Demolition and Land Remediation at the Beginning of the Reporting Period</b>		
<b>Provision for Loose-Fill Asbestos Insulation Eradication Scheme Building Demolition and Land Remediation at the Beginning of the Reporting Period</b>	<b>94 942</b>	<b>-</b>
Additional Provision Recognised	48 467	94 942
Reduction in the Provision due to Demolition and Remediation Works	(24 218)	-
<b>Provision for Loose-Fill Asbestos Insulation Eradication Scheme Building Demolition and Land Remediation at the End of the Reporting Period <sup>2</sup></b>	<b>119 191</b>	<b>94 942</b>
 <b>Reconciliation of the Provision for Make Good</b>		
<b>Provision for Make Good at the Beginning of the Reporting Period</b>	<b>857</b>	<b>130</b>
Additional Provision Recognised	220	209
Transfer of Provision from the former Economic Development Directorate (EDD)	-	350
Transfer of Provision from the Environment and Planning Directorate (EPD)	-	92
Transfer of Provision from the former Commerce and Works Directorate (CWD)	-	64
Increase in Provision due to Unwinding of Discount <sup>4</sup>	98	12
<b>Provision for Make Good at the End of the Reporting Period <sup>3</sup></b>	<b>1 175</b>	<b>857</b>
<b>Total Other Provisions</b>	<b>163 357</b>	<b>204 250</b>

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**NOTE 37. OTHER PROVISIONS - CONTINUED**

- <sup>1</sup> This provision relates to properties purchased which are affected with asbestos from homeowners that have opted into the Loose-Fill Asbestos Insulation Eradication Scheme (Scheme), but have not yet settled (refer Note 2(hh)(viii), 'Significant Accounting Policies: Significant Accounting Judgements and Estimates: Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme)', and Note 44, 'Guarantees, Contingent Liabilities and Contingent Assets'). The decrease is due to the continued settlement of property purchases by the Territory, partially offset by additional properties being opted into the Scheme. This has resulted in a net reduction in the number of homeowners yet to settle.
- <sup>2</sup> This provision relates to building demolitions and land remediation associated with asbestos affected homes where the Territory has purchased the asbestos affected homes, but has not yet demolished the homes (refer Note 2(hh)(viii), 'Significant Accounting Policies: Significant Accounting Judgements and Estimates: Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme)', Note 31, 'Other Assets'), and Note 44, 'Guarantees, Contingent Liabilities and Contingent Assets'). The increase largely reflects the purchase of additional properties under the Scheme, partially offset by the completion of demolition and remediation on 134 properties.
- <sup>3</sup> This increase largely relates to an increase in the number of office accommodation leases which have identified a make good clause in the contract.
- <sup>4</sup> This increase largely results from the unwinding of the discount for leasehold improvements in several buildings where the discount had not been unwound for the past several years.

**NOTE 38. OTHER LIABILITIES**

The Directorate's Other Liabilities includes Revenue Received in Advance for a range of activities, including:

- Loose-Fill Asbestos Insulation Eradication Scheme Land Sales Deposits;
- Salary Packaging, which represents transactions received and disbursed on behalf of ACT Government employees (refer Note 22, 'Cash and Cash Equivalents');
- Capital Works, which represents payments received for capital works projects; and
- Storage Area Network Asset Purchases, which represents payments received for the Storage Area Network (SAN) asset replacement (a SAN is a network that links ICT data storage devices with ACT Government Servers and Desktop Assets).

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Other Liabilities</b>		
Revenue Received in Advance:		
- Loose-fill Asbestos Insulation Eradication Scheme Land Sales Deposits <sup>1</sup>	626	-
- User Charges <sup>2</sup>	2 797	5 907
- Salary Packaging <sup>3</sup>	3 465	2 685
- Capital Works	3 172	2 122
- Storage Area Network Asset Purchases <sup>4</sup>	3 444	4 377
Rent Received in Advance	105	68
Lease Incentives <sup>5</sup>	525	335
<b>Total Current Other Liabilities</b>	<b>14 134</b>	<b>15 494</b>
<b>Non-Current Other Liabilities</b>		
Lease Incentives <sup>5</sup>	1 617	1 234
<b>Total Non-Current Other Liabilities</b>	<b>1 617</b>	<b>1 234</b>
<b>Total Other Liabilities</b>	<b>15 751</b>	<b>16 728</b>

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**NOTE 38. OTHER LIABILITIES - CONTINUED**

- <sup>1</sup> This increase reflects the commencement of sales of land remediated under the Loose-Fill Asbestos Insulation Eradication Scheme during 2015-16 – specifically, deposits held in relation to sales transactions in progress as at 30 June 2016.
- <sup>2</sup> This decrease is mainly due to fewer sports matches being held at Territory venues close to the end of the 2015-16 financial year compared to 2014-15, largely reflecting ticket sales made near the end of the financial year for matches to be held at the beginning of the following financial year.
- <sup>3</sup> This increase is due to the timing of dispersing Salary Packaging payments for ACT Government employees on their behalf. The corresponding asset to this account is shown in Note 22, 'Cash and Cash Equivalents'.
- <sup>4</sup> This decrease results from the purchase of SAN equipment, partially offset by the annual charging of ACT Government agencies for the replacement of the SAN.
- <sup>5</sup> These increases are mainly due to the rent free period received for 11 Moore Street by ACT Property Group (ACTPG).

**NOTE 39. ASSET REVALUATION SURPLUS**

The Asset Revaluation Surplus is used to record the increments and decrements in the value of property, plant and equipment.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land Assets Revaluation Surplus</b>		
<b>Balance at the Beginning of the Reporting Period</b>	<b>105 221</b>	-
Transfer in from the former Economic Development Directorate (EDD)	-	7 455
Transfer in from ACT Property Group, Territory and Municipal Services Directorate (TAMSD)	-	49 528
Transfer in from the former Exhibition Park Corporation (EPC)	-	14 448
Transfer out to the Justice and Community Safety Directorate (JACSD)	(977)	-
Transfer out to the Land Development Agency (LDA)	(7 104)	-
Transfer out to the Health Directorate (HD)	(40)	-
Increment/(Decrement) in Land due to Revaluation	1 466	33 790
Other Movements <sup>1</sup>	5 684	-
<b>Balance at the End of the Reporting Period</b>	<b>104 250</b>	<b>105 221</b>
<b>Land Improvements Revaluation Surplus</b>		
<b>Balance at the Beginning of the Reporting Period</b>	<b>165 991</b>	-
Transfer in from the former EDD	-	165 991
Increment/(Decrement) in Land Improvements due to Revaluation	(16)	-
<b>Balance at the End of the Reporting Period</b>	<b>165 975</b>	<b>165 991</b>
<b>Buildings Asset Revaluation Surplus</b>		
<b>Balance at the Beginning of the Reporting Period</b>	<b>67 679</b>	-
Transfer in from the Arboretum, TAMSD	394	-
Transfer in from the former EDD	-	15 560
Transfer in from ACT Property Group, TAMSD	-	48 750
Transfer in from the former EPC	-	4 781
Transfer out to JACSD	(4 593)	-
Transfer out to LDA	(495)	-
Increment/(Decrement) in Buildings due to Revaluation <sup>2</sup>	(14 294)	(1 412)
Increment/(Decrement) in Buildings due to Impairment Loss	(607)	-
<b>Balance at the End of the Reporting Period</b>	<b>48 084</b>	<b>67 679</b>

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**NOTE 39. ASSET REVALUATION SURPLUS - CONTINUED**

	2016 \$'000	2015 \$'000
<b>Leasehold Improvements Asset Revaluation Surplus</b>		
Balance at the Beginning of the Reporting Period	4 025	-
Transfer in from the former Commerce and Works Directorate (CWD)	-	3 984
Transfer in from Canberra Connect, TAMSD	-	41
Increment/(Decrement) in Leasehold Improvements due to Revaluation	61	-
<b>Balance at the End of the Reporting Period</b>	<b>4 086</b>	<b>4 025</b>
<b>Community and Heritage Assets Revaluation Surplus</b>		
Balance at the Beginning of the Reporting Period	104 572	-
Transfer in from the Arboretum, TAMSD	4 875	-
Transfer in from the former EDD	-	85 775
Transfer in from ACT Property Group, TAMSD	-	12 444
Increment/(Decrement) in Community and Heritage Assets due to Revaluation <sup>2</sup>	(1 173)	6 353
Other Movements <sup>1</sup>	(5 684)	-
<b>Balance at the End of the Reporting Period</b>	<b>102 590</b>	<b>104 572</b>
<b>Infrastructure Revaluation Surplus</b>		
Balance at the Beginning of the Reporting Period	19 767	-
Transfer in from the former EDD	-	4 712
Transfer in from the former CWD	-	15 055
Increment/(Decrement) in Infrastructure Assets due to Revaluation	827	-
<b>Balance at the End of the Reporting Period</b>	<b>20 594</b>	<b>19 767</b>
<b>Plant and Equipment Asset Revaluation Surplus</b>		
Balance at the Beginning of the Reporting Period	7 544	-
Transfer in from the Arboretum, TAMSD	236	-
Transfer in from the former CWD	-	7 279
Transfer in from ACT Property Group, TAMSD	-	222
Transfer in from Canberra Connect, TAMSD	-	43
Increment/(Decrement) in Plant and Equipment due to Revaluation	1 041	-
Other Movements	-	-
<b>Balance at the End of the Reporting Period</b>	<b>8 821</b>	<b>7 544</b>
<b>Total Asset Revaluation Surplus</b>		
Balance at the Beginning of the Reporting Period	474 800	-
<b>Increase/(Decrease) in the Asset Revaluation Surplus</b>		
Total Increment/(Decrement) due to Revaluation <sup>1</sup>	(12 088)	38 731
Total Increment/(Decrement) due to Impairment Loss	(607)	-
<b>Total Increase/(Decrease) in the Asset Revaluation Surplus</b>	<b>(12 695)</b>	<b>38 731</b>
<b>Transfers of the Asset Revaluation Surplus to/(from) Accumulated Funds</b>		
Total Increase/(Decrease) in Asset Revaluation Surplus due to Transfers	5 505	436 068
Total Increase/(Decrease) due to Transfers out to Other ACT Government Agencies	(13 210)	-
<b>Total Transfers of the Asset Revaluation Surplus to/(from) Accumulated Funds</b>	<b>(7 705)</b>	<b>436 068</b>
<b>Total Asset Revaluation Surplus Balance at the End of the Reporting Period</b>	<b>454 400</b>	<b>474 800</b>

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**NOTE 39. ASSET REVALUATION SURPLUS - CONTINUED**

- <sup>1</sup> These movements are due to a reclassification of \$5.684 million from Community and Heritage Assets to Land Assets to correct the allocation of the Asset Revaluation Reserve across the classes of assets.
- <sup>2</sup> The 2015-16 decreases largely relate to the revaluation of ACT Property Group (ACTPG) assets, which took into consideration recent sales evidence of similar properties.

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 40. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES**

Year Ended 30 June 2016

Assets	Output Class 1 Government Strategy	Output Class 2 Financial and Economic Management	Output Class 3 Revenue Management	Output Class 4 Shared Services ICT	Output Class 5 Procurement and Capital Works	Output Class 6 Shared Services Human Resources	Output Class 7 Shared Services Finance	Output Class 8 Economic Development	Output Class 9 Loose-Fill Asbestos Insulation Eradication	Output Class 10 Access Canberra	Inter Agency Eliminations	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current</b>													
Cash and Cash Equivalents	1 037	173	1 407	13 984	-	24 932	1 500	12 403	22 125	4 874	-	-	82 435
Receivables	6 042	134	1 009	17 492	47 902	1 840	519	12 720	-	8 817	(11 100)	-	85 375
Inventories	-	-	-	878	-	-	-	359	-	-	-	-	1 237
Assets Held for Sale	-	-	-	-	-	-	-	-	54 258	-	-	-	54 258
Other Assets	314	170	104	3 232	94	18	80	3 977	584	379	-	-	8 952
<b>Total Current</b>	<b>7 393</b>	<b>477</b>	<b>2 520</b>	<b>35 586</b>	<b>47 996</b>	<b>26 790</b>	<b>2 099</b>	<b>29 459</b>	<b>76 967</b>	<b>14 070</b>	<b>(11 100)</b>	<b>-</b>	<b>232 257</b>
<b>Non-Current</b>													
Receivables	-	69 612	136	-	-	-	-	-	-	-	(1 500)	-	68 248
Scheme Land <sup>a</sup>	-	-	-	-	-	-	-	-	368 246	-	-	-	368 246
PPE <sup>a</sup>	1 888	-	-	64 539	63	1 890	326	1 148 062	3 111	7 668	797	-	1 228 344
Investment Properties	-	-	-	-	-	-	-	-	5 410	-	-	-	5 410
Intangible Assets	2 088	-	-	6 177	9	215	3 147	1 681	-	1 185	-	-	14 502
Capital Works in Progress	4 085	1 249	13 142	1 093	611	708	891	342 711	-	3 572	368	-	368 430
Other Assets	-	-	-	424	-	3	3	-	-	-	-	-	430
<b>Total Non-Current</b>	<b>8 061</b>	<b>70 861</b>	<b>13 278</b>	<b>72 233</b>	<b>683</b>	<b>2 816</b>	<b>4 367</b>	<b>1 492 454</b>	<b>376 767</b>	<b>12 425</b>	<b>(335)</b>	<b>-</b>	<b>2 053 610</b>
<b>Total Assets</b>	<b>15 454</b>	<b>71 338</b>	<b>15 798</b>	<b>107 819</b>	<b>48 679</b>	<b>29 606</b>	<b>6 466</b>	<b>1 521 913</b>	<b>453 734</b>	<b>26 495</b>	<b>(11 435)</b>	<b>-</b>	<b>2 285 867</b>

<sup>a</sup> 'Scheme Land' refers to Loose-Fill Asbestos Insulation Eradication Scheme Land and 'PPE' refers to Property, Plant and Equipment.

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 40. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES - CONTINUED**

Year Ended 30 June 2016 - Continued

Liabilities	Output Class 1 Government Strategy	Output Class 2 Financial and Economic Management	Output Class 3 Revenue Management	Output Class 4 Shared Services ICT	Output Class 5 Procurement and Capital Works	Output Class 6 Shared Services Human Resources	Output Class 7 Shared Services Finance	Output Class 8 Economic Development	Output Class 9 Loose-Fill Asbestos Insulation Eradication	Output Class 10 Access Canberra	Inter Agency Eliminations	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current</b>													
Bank Overdraft	-	-	-	-	37 498	-	-	-	-	-	-	-	37 498
Payables	5 268	3 479	879	7 679	9 101	1 681	751	32 991	4 475	7 115	(6 188)	-	67 231
Borrowings	-	-	-	-	-	-	-	729	-	-	-	-	729
Interest-Bearing Liabilities	-	-	-	-	-	-	-	51	-	-	-	-	51
Employee Benefits	9 113	4 185	4 012	17 194	5 908	4 805	5 226	13 101	1 384	13 498	3 853	-	82 279
Other Provisions	6	-	-	47	77	45	33	10	109 242	1	-	-	109 461
Other Liabilities	723	-	-	3 484	-	3 465	45	4 023	626	1 645	123	-	14 134
<b>Total Current</b>	<b>15 110</b>	<b>7 664</b>	<b>4 891</b>	<b>28 404</b>	<b>52 584</b>	<b>9 996</b>	<b>6 055</b>	<b>50 905</b>	<b>115 727</b>	<b>22 259</b>	<b>(2 212)</b>	<b>-</b>	<b>311 383</b>
<b>Non-Current</b>													
Payables	-	-	-	-	-	-	-	90	-	-	-	-	90
Borrowings	-	-	-	-	-	-	-	256	-	-	-	-	256
Interest-Bearing Liabilities	-	69 612	-	-	-	-	-	1 449	-	-	(1 500)	-	69 561
Employee Benefits	634	327	225	1 512	441	364	238	995	78	1 319	-	-	6 133
Other Provisions	293	-	-	84	89	42	-	264	52 940	184	-	-	53 896
Other Liabilities	-	-	-	-	-	-	-	1 617	-	-	-	-	1 617
<b>Total Non-Current</b>	<b>927</b>	<b>69 939</b>	<b>225</b>	<b>1 596</b>	<b>530</b>	<b>406</b>	<b>238</b>	<b>4 671</b>	<b>53 018</b>	<b>1 503</b>	<b>(1 500)</b>	<b>-</b>	<b>131 553</b>
<b>Total Liabilities</b>	<b>16 037</b>	<b>77 603</b>	<b>5 116</b>	<b>30 000</b>	<b>53 114</b>	<b>10 402</b>	<b>6 293</b>	<b>55 576</b>	<b>168 745</b>	<b>23 762</b>	<b>(3 712)</b>	<b>-</b>	<b>442 936</b>
<b>Net Assets/ (Liabilities)</b>	<b>(583)</b>	<b>(6 265)</b>	<b>10 682</b>	<b>77 819</b>	<b>(4 435)</b>	<b>19 204</b>	<b>173</b>	<b>1 466 337</b>	<b>284 989</b>	<b>2 733</b>	<b>(7 723)</b>	<b>-</b>	<b>1 842 933</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 40. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES - CONTINUED**

Year Ended 30 June 2015

Assets	Output Class 1 Government Strategy	Output Class 2 Financial and Economic Management	Output Class 3 Revenue Management	Output Class 4 Shared Services ICT	Output Class 5 Procurement and Capital Works	Output Class 6 Shared Services Human Resources	Output Class 7 Shared Services Finance	Output Class 8 Economic Development	Output Class 9 Loose-Fill Asbestos Insulation Eradication	Output Class 10 Access Canberra	Inter Agency Eliminations	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current</b>													
Cash and Cash Equivalents	10 230	3 161	714	14 977	-	22 602	2 396	10 386	54 057	7 403	-	-	125 926
Receivables	3 078	1 266	150	21 897	27 879	866	432	12 473	-	3 883	(18 160)	-	53 764
Inventories	52	-	-	5	-	-	-	225	-	-	-	-	282
Other Assets	1	83	-	3 141	98	25	120	3 561	740	185	-	-	7 954
<b>Total Current</b>	<b>13 361</b>	<b>4 510</b>	<b>864</b>	<b>40 020</b>	<b>27 977</b>	<b>23 493</b>	<b>2 948</b>	<b>26 645</b>	<b>54 797</b>	<b>11 471</b>	<b>(18 160)</b>	<b>-</b>	<b>187 926</b>
<b>Non-Current</b>													
Receivables	-	69 612	-	-	-	-	-	187	-	2 073	(1 500)	-	70 372
Scheme Land <sup>a</sup>	-	-	-	-	-	-	-	-	282 617	-	-	-	282 617
PPE <sup>a</sup>	789	27	14	56 131	-	2 489	582	1 187 012	-	4 060	-	-	1 251 104
Investment Properties	-	-	-	-	-	-	-	2 600	-	-	-	-	2 600
Intangible Assets	2 967	3 647	313	4 809	54	13	474	200	-	2 081	-	-	14 558
Capital Works in Progress	-	-	2 695	2 354	60	305	220	279 047	-	3 916	-	-	288 597
Other Assets	-	-	-	196	-	-	-	-	-	-	-	-	196
<b>Total Non-Current</b>	<b>3 756</b>	<b>73 286</b>	<b>3 022</b>	<b>63 490</b>	<b>114</b>	<b>2 807</b>	<b>1 276</b>	<b>1 469 046</b>	<b>282 617</b>	<b>12 130</b>	<b>(1 500)</b>	<b>-</b>	<b>1 910 044</b>
<b>Total Assets</b>	<b>17 117</b>	<b>77 796</b>	<b>3 886</b>	<b>103 510</b>	<b>28 091</b>	<b>26 300</b>	<b>4 224</b>	<b>1 495 691</b>	<b>337 414</b>	<b>23 601</b>	<b>(19 660)</b>	<b>-</b>	<b>2 097 970</b>

<sup>a</sup> 'Scheme Land' refers to Loose-Fill Asbestos Insulation Eradication Scheme Land and 'PPE' refers to Property, Plant and Equipment.

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 40. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES - CONTINUED**

Year Ended 30 June 2015 - Continued

Liabilities	Output Class 1 Government Strategy	Output Class 2 Financial and Economic Management	Output Class 3 Revenue Management	Output Class 4 Shared Services ICT	Output Class 5 Procurement and Capital Works	Output Class 6 Shared Services Human Resources	Output Class 7 Shared Services Finance	Output Class 8 Economic Development	Output Class 9 Loose-Fill Asbestos Insulation Eradication	Output Class 10 Access Canberra	Inter Agency Eliminations	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current</b>													
Bank Overdraft	-	-	-	-	13 403	-	-	-	-	-	-	-	13 403
Payables	5 749	2 411	280	5 753	3 233	575	414	15 326	2 352	8 823	(13 592)	-	31 324
Interest-Bearing Liabilities	-	-	-	-	-	-	-	842	-	-	-	-	842
Employee Benefits	8 025	7 138	1 666	17 119	5 887	5 731	5 219	12 011	971	22 779	12	-	86 558
Other Provisions	3	-	-	27	111	-	-	8	132 111	-	-	-	132 260
Other Liabilities	17	-	-	4 388	1 013	2 218	107	2 218	-	5 533	-	-	15 494
<b>Total Current</b>	<b>13 794</b>	<b>9 549</b>	<b>1 946</b>	<b>27 287</b>	<b>23 647</b>	<b>8 524</b>	<b>5 740</b>	<b>30 405</b>	<b>135 434</b>	<b>37 135</b>	<b>(13 580)</b>	<b>-</b>	<b>279 881</b>
<b>Non-Current</b>													
Payables	-	-	-	-	-	-	-	124	-	-	-	-	124
Interest-Bearing Liabilities	-	69 612	-	-	-	-	-	2 326	-	-	(1 500)	-	70 438
Employee Benefits	362	232	201	1 160	385	388	250	644	86	1 195	-	-	4 903
Other Provisions	293	-	-	10	-	5	3	350	71 237	92	-	-	71 990
Other Liabilities	-	-	-	-	-	-	-	1 234	-	-	-	-	1 234
<b>Total Non-Current</b>	<b>655</b>	<b>69 844</b>	<b>201</b>	<b>1 170</b>	<b>385</b>	<b>393</b>	<b>253</b>	<b>4 678</b>	<b>71 323</b>	<b>1 287</b>	<b>(1 500)</b>	<b>-</b>	<b>148 689</b>
<b>Total Liabilities</b>	<b>14 449</b>	<b>79 393</b>	<b>2 147</b>	<b>28 457</b>	<b>24 032</b>	<b>8 917</b>	<b>5 993</b>	<b>35 083</b>	<b>206 757</b>	<b>38 422</b>	<b>(15 080)</b>	<b>-</b>	<b>428 570</b>
<b>Net Assets/ (Liabilities)</b>	<b>2 668</b>	<b>(1 597)</b>	<b>1 739</b>	<b>75 053</b>	<b>4 059</b>	<b>17 383</b>	<b>(1 769)</b>	<b>1 460 608</b>	<b>130 657</b>	<b>(14 821)</b>	<b>(4 580)</b>	<b>-</b>	<b>1 669 399</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS**

**Restructure of Administrative Arrangements during 2015-16**

On 22 January 2016, *Administrative Arrangements 2016 (No 1)* (Notifiable Instrument NI2016-41) came into effect. This Instrument transferred the National Arboretum of Canberra (NAC) from the Territory and Municipal Services Directorate (TAMSD) and Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) to CMTEDD.

**Income and Expenses**

The following tables show the income and expense items associated with the transfers of functions from TAMSD and ETD to CMTEDD for the year ended 30 June 2016. Each table shows the income and expenses relating to those directorates/functions for the time when they belonged to their former directorate, for the time when they belonged to CMTEDD, and their respective total income and expense for the year.

	Amounts Relating to when the National Arboretum Canberra was held by		Total 2015-16 \$'000
	TAMSD from 1 July 2015 to 22 January 2016 \$'000	CMTEDD from 22 January 2016 to 30 June 2016 \$'000	
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	2 217	1 629	3 847
User Charges - Non-ACT Government	292	407	699
User Charges - ACT Government	146	-	146
Resources Received Free of Charge	-	67	67
Other Revenue	65	42	108
<b>Total Revenue</b>	<b>2 721</b>	<b>2 145</b>	<b>4 866</b>
<b>Gains</b>			
Other Gains	3	14	17
<b>Total Gains</b>	<b>3</b>	<b>14</b>	<b>17</b>
<b>Total Income</b>	<b>2 724</b>	<b>2 159</b>	<b>4 884</b>
<b>Expenses</b>			
Employee Expenses	948	988	1 936
Superannuation Expenses	126	103	229
Supplies and Services	1 628	1 593	3 221
Depreciation and Amortisation	766	650	1 416
Other Expenses	144	-	144
<b>Total Expenses</b>	<b>3 613</b>	<b>3 334</b>	<b>6 947</b>

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2015-16 - Continued**

**Income and Expenses - Continued**

	Amounts Relating to when Vocational Education and Training was held by		Total 2015-16 \$'000
	ETD from 1 July 2015 to 22 January 2016 \$'000	CMTEDD from 22 January 2016 to 30 June 2016 \$'000	
<b>Revenue</b>			
Government Payment for Outputs	11 303	10 782	<b>22 085</b>
Other Revenue	23	23	<b>46</b>
<b>Total Revenue</b>	<b>11 326</b>	<b>10 805</b>	<b>22 131</b>
<b>Expenses</b>			
Employee Expenses	2 790	1 996	<b>4 786</b>
Superannuation Expenses	324	215	<b>539</b>
Supplies and Services	1 061	855	<b>1 916</b>
Depreciation and Amortisation	149	107	<b>256</b>
Grants and Purchased Services	6 969	7 740	<b>14 709</b>
<b>Total Expenses</b>	<b>11 293</b>	<b>10 912</b>	<b>22 205</b>

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2015-16 - Continued**

**Assets and Liabilities**

The assets and liabilities transferred with the NAC from TAMSD and VET from the then ETD to CMTEDD during 2015-16 associated with the AAs of 22 January 2016 are detailed in the table below. The total assets and liabilities transferred as part of the AAs of 22 January 2016 are also shown in the table.

	<b>Amounts Transferred on 22 January 2016 from</b>		<b>Total Amounts</b>
	<b>TAMSD for NAC 2015-16 \$'000</b>	<b>ETD for VET 2015-16 \$'000</b>	<b>Transferred 2015-16 \$'000</b>
<b>Assets</b>			
Cash and Cash Equivalents	352	-	<b>352</b>
Current and Non-Current Receivables	136	-	<b>136</b>
Inventories	11	-	<b>11</b>
Property, Plant and Equipment	52 188	3	<b>52 191</b>
Intangibles	-	1 628	<b>1 628</b>
Capital Works in Progress	1 983	-	<b>1 983</b>
<b>Total Assets Transferred</b>	<b>54 670</b>	<b>1 631</b>	<b>56 301</b>
<b>Liabilities</b>			
Payables	86	-	<b>86</b>
Current and Non-Current Employee Benefits	299	892	<b>1 191</b>
Current and Non-Current Other Liabilities	201	-	<b>201</b>
<b>Total Liabilities Transferred</b>	<b>586</b>	<b>892</b>	<b>1 478</b>
<b>Net Assets/(Liabilities) Transferred</b>	<b>54 084</b>	<b>739</b>	<b>54 823</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15**

On 7 July 2014, *Administrative Arrangements 2014 (No 1)* (Notifiable Instrument NI2014-310) came into effect. This Instrument changed the Directorate's name from the Chief Minister and Treasury Directorate (CMTD) to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). In addition, the Economic Development Directorate (EDD) and Commerce and Works Directorate (CWD) were transferred to CMTEDD, along with Community Facilities and artsACT from the Community Services Directorate (CSD) and ACT Property Group from the Territory and Municipal Services Directorate (TAMSD).

**Income and Expenses**

The following tables show the income and expense items associated with the transfers of EDD and CWD to CMTEDD, and the transfers of Community Facilities and artsACT from CSD and the ACT Property Group from TAMSD for the year ended 30 June 2015. Each table shows the income and expenses relating to those directorates/functions for the time when they belonged to their former directorate, for the time when they belonged to CMTEDD, and their respective total income and expense for the year.

	Amounts Relating to when the Economic Development Directorate was held by		
	EDD from 1 July 2014 to 6 July 2014 \$'000	CMTEDD from 7 July 2014 to 30 June 2015 \$'000	Total 2014-15 \$'000
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	4 129	78 245	<b>82 374</b>
User Charges - Non-ACT Government	152	4 061	<b>4 213</b>
User Charges - ACT Government	33	194	<b>228</b>
Interest	1	90	<b>91</b>
Resources Received Free of Charge	3	267	<b>270</b>
Other Revenue	11	1 079	<b>1 090</b>
<b>Total Revenue</b>	<b>4 329</b>	<b>83 936</b>	<b>88 265</b>
<b>Gains</b>			
Other Gains	-	942	<b>942</b>
<b>Total Gains</b>	<b>-</b>	<b>942</b>	<b>942</b>
<b>Total Income</b>	<b>4 329</b>	<b>84 878</b>	<b>89 207</b>
<b>Expenses</b>			
Employee Expenses	319	24 190	<b>24 509</b>
Superannuation Expenses	53	2 860	<b>2 913</b>
Supplies and Services	350	41 883	<b>42 233</b>
Depreciation and Amortisation	323	18 954	<b>19 277</b>
Borrowing Costs	1	33	<b>34</b>
Grants and Purchased Services	8 754	18 524	<b>27 277</b>
Other Expenses	14	858	<b>873</b>
<b>Total Expenses</b>	<b>9 814</b>	<b>107 303</b>	<b>117 116</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**For the Year Ended 30 June 2016**

**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Income and Expenses - Continued**

	Amounts Relating to when the Commerce and Works Directorate was held by		
	CWD from 1 July 2014 to 6 July 2014 \$'000	CMTEDD from 7 July 2014 to 30 June 2015 \$'000	Total 2014-15 \$'000
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	-	59 370	<b>59 370</b>
User Charges - Non-ACT Government	3	11	<b>14</b>
User Charges - ACT Government	3 137	374 163	<b>377 300</b>
Interest	3	249	<b>252</b>
Resources Received Free of Charge	26	2 306	<b>2 332</b>
Other Revenue	38	3 673	<b>3 711</b>
<b>Total Revenue</b>	<b>3 207</b>	<b>439 771</b>	<b>442 977</b>
<b>Gains</b>			
Other Gains	-	1 846	<b>1 846</b>
<b>Total Gains</b>	<b>-</b>	<b>1 846</b>	<b>1 846</b>
<b>Total Income</b>	<b>3 207</b>	<b>441 617</b>	<b>444 823</b>
<b>Expenses</b>			
Employee Expenses	1 865	200 229	<b>202 093</b>
Superannuation Expenses	253	29 335	<b>29 588</b>
Supplies and Services	1 626	200 189	<b>201 815</b>
Depreciation and Amortisation	471	41 967	<b>42 438</b>
Borrowing Costs	1	58	<b>59</b>
Other Expenses	8	4 112	<b>4 120</b>
<b>Total Expenses</b>	<b>4 224</b>	<b>475 890</b>	<b>480 114</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15- Continued**

**Income and Expenses - Continued**

	Amounts Relating to when Community Facilities was held by		
	CSD from 1 July 2014 to 6 July 2014 \$'000	CMTEDD from 7 July 2014 to 30 June 2015 \$'000	Total 2014-15 \$'000
<b>Revenue</b>			
Government Payment for Outputs	25	1 672	1 697
User Charges - ACT Government	-	1 367	1 367
Other Revenue	23	-	23
<b>Total Revenue</b>	<b>47</b>	<b>3 039</b>	<b>3 086</b>
<b>Expenses</b>			
Employee Expenses	4	516	520
Superannuation Expenses	-	83	83
Supplies and Services	43	2 087	2 130
Depreciation and Amortisation	58	3 715	3 773
Other Expenses	-	426	426
<b>Total Expenses</b>	<b>105</b>	<b>6 828</b>	<b>6 932</b>

	Amounts Relating to when artsACT was held by		
	CSD from 1 July 2014 to 6 July 2014 \$'000	CMTEDD from 7 July 2014 to 30 June 2015 \$'000	Total 2014-15 \$'000
<b>Revenue</b>			
Government Payment for Outputs	25	10 873	10 898
User Charges - Non-ACT Government	-	127	127
Resources Received Free of Charge	-	14	14
Other Revenue	-	13	13
<b>Total Revenue</b>	<b>25</b>	<b>11 027</b>	<b>11 052</b>
<b>Expenses</b>			
Employee Expenses	17	1 538	1 555
Superannuation Expenses	2	236	238
Supplies and Services	5	1 057	1 063
Depreciation and Amortisation	19	3	22
Grants and Purchased Services	-	8 686	8 686
Other Expenses	-	14	14
<b>Total Expenses</b>	<b>43</b>	<b>11 533</b>	<b>11 577</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**For the Year Ended 30 June 2016**

**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Income and Expenses - Continued**

	Amounts Relating to when the ACT Property Group was held by		Total 2014-15 \$'000
	TAMSD from 1 July 2014 to 6 July 2014 \$'000	CMTEDD from 7 July 2014 to 30 June 2015 \$'000	
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	-	644	<b>644</b>
User Charges - ACT Government	1 009	35 007	<b>36 016</b>
User Charges - Non-ACT Government	42	56 283	<b>56 325</b>
Resources Received Free of Charge	-	26	<b>26</b>
Other Revenue	29	18	<b>47</b>
<b>Total Revenue</b>	<b>1 080</b>	<b>91 979</b>	<b>93 059</b>
<b>Gains</b>			
Other Gains	-	1 316	<b>1 316</b>
<b>Total Gains</b>	<b>-</b>	<b>1 316</b>	<b>1 316</b>
<b>Total Income</b>	<b>1 080</b>	<b>93 294</b>	<b>94 375</b>
<b>Expenses</b>			
Employee Expenses	111	10 164	<b>10 275</b>
Superannuation Expenses	11	1 038	<b>1 048</b>
Supplies and Services	671	77 270	<b>77 940</b>
Depreciation and Amortisation	149	9 050	<b>9 199</b>
Borrowing Costs	-	53	<b>53</b>
Other Expenses	-	4 707	<b>4 707</b>
<b>Total Expenses</b>	<b>941</b>	<b>102 282</b>	<b>103 223</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Assets and Liabilities**

The assets and liabilities transferred from EDD and CWD to CMTEDD during 2014-15 associated with the Administrative Arrangements (AAs) of 7 July 2014 are detailed in the table below, along with the transfers of Community Facilities and artsACT from CSD and the ACT Property Group from TAMSD. The total assets and liabilities transferred as part of the AAs of 7 July 2014 are also shown in the table.

	Amounts Transferred on 7 July 2014 from					
	EDD	CWD	CSD for	CSD for	TAMSD for	Total
	2014-15	2014-15	Community	artsACT	the ACT	Amounts
	\$'000	\$'000	Facilities	2014-15	Property	Transferred
			2014-15	2014-15	Group	2014-15
			\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash and Cash Equivalents	3 772	17 510	1 298	556	8 645	31 781
Current and Non-Current Receivables	4 994	53 345	-	-	4 803	63 142
Inventories	46	7	-	-	274	327
Assets Held for Sale	-	-	-	-	134	134
Property, Plant and Equipment	500 271	68 753	131 719	65 396	370 034	1 136 173
Intangibles	171	1 398	-	-	75	1 644
Capital Works in Progress	207 665	8 954	1 519	1 690	3 210	223 039
Current and Non-Current Other Assets	1 312	6 966	-	-	1 864	10 142
<b>Total Assets Transferred</b>	<b>718 231</b>	<b>156 933</b>	<b>134 536</b>	<b>67 643</b>	<b>389 040</b>	<b>1 466 382</b>
<b>Liabilities</b>						
Payables	23 037	12 849	501	325	6 498	43 210
Current and Non-Current Interest-Bearing Liabilities	-	-	408	-	-	408
Current and Non-Current Finance Leases	761	796	-	-	1 113	2 670
Current and Non-Current Employee Benefits	7 531	36 259	95	536	2 648	47 070
Current and Non-Current Other Liabilities	1 125	7 406	-	166	2 030	10 728
Current and Non-Current Other Provisions	-	75	-	-	97	172
<b>Total Liabilities Transferred</b>	<b>32 454</b>	<b>57 385</b>	<b>1 005</b>	<b>1 028</b>	<b>12 385</b>	<b>104 257</b>
<b>Net Assets/(Liabilities) Transferred</b>	<b>685 777</b>	<b>99 548</b>	<b>133 531</b>	<b>66 615</b>	<b>376 655</b>	<b>1 362 125</b>

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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

On 15 December 2014, *Administrative Arrangements 2014 (No 2)* (Notifiable Instrument NI2014-654) came into effect. This Instrument transferred functions from the Health Directorate (HD), the Justice and Community Safety Directorate (JACSD), the Territory and Municipal Services Directorate (TAMSD) and the Environment and Planning Directorate (EPD) to enable the establishment of Access Canberra. The Public Health Protection and Regulation function was transferred from HD, the Office of Regulatory Services was transferred from JACSD, Canberra Connect was transferred from TAMSD, and the Regulatory Services function was transferred from EPD.

**Income and Expenses**

The following tables show the income and expense items associated with the transfer of functions from HD, JACSD, TAMSD and EPD to CMTEDD for the year ended 30 June 2015. Each table shows the income and expenses relating to those functions for the time when they belonged to their former directorate, for the time when they belonged to CMTEDD, and their respective total income and expense for the year.

	<b>Amounts Relating to when the Public Health Protection and Regulation Function was held by</b>		<b>Total 2014-15 \$'000</b>
	<b>HD from 1 July 2014 to 14 December 2014 \$'000</b>	<b>CMTEDD from 15 December 2014 to 30 June 2015 \$'000</b>	
<b>Revenue</b>			
Government Payment for Outputs	324	382	706
<b>Total Revenue</b>	<b>324</b>	<b>382</b>	<b>706</b>
<b>Expenses</b>			
Employee Expenses	305	-	305
Superannuation Expenses	19	-	19
Grants and Purchased Services	-	382	382
<b>Total Expenses</b>	<b>324</b>	<b>382</b>	<b>706</b>

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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Income and Expenses - Continued**

	Amounts Relating to when the Office of Regulatory Services was held by		Total 2014-15 \$'000
	JACSD from 1 July 2014 to 14 December 2014 \$'000	CMTEDD from 15 December 2014 to 30 June 2015 \$'000	
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	18 446	8 179	<b>26 625</b>
User Charges - Non-ACT Government	1 317	828	<b>2 145</b>
User Charges - ACT Government	-	114	<b>114</b>
Resources Received Free of Charge	-	188	<b>188</b>
Other Fees and Fines	-	129	<b>129</b>
Other Revenue	1 526	888	<b>2 414</b>
<b>Total Revenue</b>	<b>21 289</b>	<b>10 325</b>	<b>31 614</b>
<b>Gains</b>			
Other Gains	-	1 910	<b>1 910</b>
<b>Total Gains</b>	<b>-</b>	<b>1 910</b>	<b>1 910</b>
<b>Total Income</b>	<b>21 289</b>	<b>12 236</b>	<b>33 525</b>
<b>Expenses</b>			
Employee Expenses	12 176	14 185	<b>26 361</b>
Superannuation Expenses	1 599	1 998	<b>3 597</b>
Supplies and Services	5 995	9 256	<b>15 251</b>
Depreciation and Amortisation	574	680	<b>1 254</b>
Grants and Purchased Services	462	539	<b>1 001</b>
Other Expenses	309	2 394	<b>2 703</b>
<b>Total Expenses</b>	<b>21 115</b>	<b>29 051</b>	<b>50 167</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Income and Expenses - Continued**

	Amounts Relating to when Canberra Connect was held by		Total 2014-15 \$'000
	TAMSD from 1 July 2014 to 14 December 2014 \$'000	CMTEDD from 15 December 2014 to 30 June 2015 \$'000	
<b>Revenue</b>			
Government Payment for Outputs	5 520	2 256	<b>7 775</b>
User Charges - Non-ACT Government	61	51	<b>111</b>
User Charges - ACT Government	1 066	1 152	<b>2 218</b>
Other	1	1	<b>2</b>
<b>Total Revenue</b>	<b>6 647</b>	<b>3 459</b>	<b>10 107</b>
<b>Expenses</b>			
Employee Expenses	3 042	4 087	<b>7 130</b>
Superannuation Expenses	473	581	<b>1 054</b>
Supplies and Services	2 649	3 103	<b>5 751</b>
Depreciation and Amortisation	198	100	<b>298</b>
Other Expenses	1	38	<b>40</b>
<b>Total Expenses</b>	<b>6 363</b>	<b>7 909</b>	<b>14 273</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Income and Expenses - Continued**

	Amounts Relating to when the Regulatory Services Function was held by		Total 2014-15 \$'000
	EPD from 1 July 2014 to 14 December 2014 \$'000	CMTEDD from 15 December 2014 to 30 June 2015 \$'000	
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	8 879	3 290	12 169
User Charges - Non-ACT Government	920	1 208	2 128
User Charges - ACT Government	25	9	34
Resources Received Free of Charge	346	-	346
Other Fees and Fines	-	2	2
Other Revenue	83	79	162
<b>Total Revenue</b>	<b>10 253</b>	<b>4 589</b>	<b>14 842</b>
<b>Gains</b>			
Other Gains	283	-	283
<b>Total Gains</b>	<b>283</b>	<b>-</b>	<b>283</b>
<b>Total Income</b>	<b>10 536</b>	<b>4 589</b>	<b>15 125</b>
<b>Expenses</b>			
Employee Expenses	6 094	5 417	11 511
Superannuation Expenses	1 490	905	2 395
Supplies and Services	1 114	864	1 978
Depreciation and Amortisation	265	93	358
Borrowing Costs	23	20	43
Grants and Purchased Services	12	12	24
Other Expenses	2 259	586	2 846
<b>Total Expenses</b>	<b>11 258</b>	<b>7 895</b>	<b>19 153</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 41. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Assets and Liabilities**

The assets and liabilities transferred from HD, JACSD, TAMSD and EPD to CMTEDD during 2014-15 associated with the Administrative Arrangements (AAs) of 15 December 2014 are detailed in the table below. The total assets and liabilities transferred as part of the AAs of 15 December 2014 are also shown in the table.

	Amounts Transferred on 15 December 2014 from			
	JACSD for the Office of Regulatory Services 2014-15 \$'000	TAMSD for Canberra Connect 2014-15 \$'000	EPD for Regulatory Services 2014-15 \$'000	Total Amounts Transferred 2014-15 \$'000
<b>Assets</b>				
Cash and Cash Equivalents	1 071	355	464	1 890
Current and Non-Current Receivables	1 736	378	3 072	5 186
Property, Plant and Equipment	4 384	768	1 048	6 200
Intangibles	535	1 757	-	2 291
Capital Works in Progress	3 305	-	-	3 305
<b>Total Assets Transferred</b>	<b>11 031</b>	<b>3 258</b>	<b>4 583</b>	<b>18 872</b>
<b>Liabilities</b>				
Payables	61	61	70	191
Current and Non-Current Interest-Bearing Liabilities	892	-	925	1 816
Current and Non-Current Employee Benefits	7 136	2 089	4 238	13 463
Current Other Liabilities	1 334	-	-	1 334
Current and Non-Current Other Provisions	-	-	92	92
<b>Total Liabilities Transferred</b>	<b>9 423</b>	<b>2 149</b>	<b>5 324</b>	<b>16 897</b>
<b>Net Assets/(Liabilities) Transferred</b>	<b>1 607</b>	<b>1 108</b>	<b>(741)</b>	<b>1 975</b>

	Total Amounts Transferred 2014-15 \$'000
<b>Total Impact of Administrative Arrangement Transfers during 2014-15</b>	
Total Net Assets Transferred to CMTEDD due to the AAs of 7 July 2014	1 362 125
Total Net Assets Transferred to CMTEDD due to the AAs of 15 December 2014	1 975
<b>Total Net Assets Transferred to CMTEDD during 2014-15 by Administrative Arrangements</b>	<b>1 364 100</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 42. FINANCIAL INSTRUMENTS**

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2, 'Significant Accounting Policies'.

**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 Directorate's exposure to interest rate risk is mostly in relation to interest on the loan to Community Housing Canberra Limited (CHC).

CMTEDD's loans to CHC (refer to Note 2(p), 'Receivables') is subject to variable interest rates. However, as the loans to CHC mirrors arrangements with the Territory Banking Account (TBA), the impact of an interest rate change on CMTEDD's income and expense and equity is neutralised.

*Sensitivity Analysis*

A sensitivity analysis has not been undertaken as it is considered that CMTEDD's exposure to this risk is insignificant and would have an immaterial impact on its financial results.

**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 CMTEDD's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment loss. The CMTEDD expects to collect all financial assets that are not past due or impaired.

Cash and cash equivalents are held with the Westpac Banking Corporation, in accordance with the whole of government banking arrangements. These arrangements minimise risk by ensuring that cash is held with high quality financial institutions under whole of government banking arrangements.

The Directorate's non-loan receivables are spread across a large number of ACT Government agencies. The Directorate manages credit risk for receivables through the careful monitoring of the invoicing process, rapid follow up of payment and prompt resolution of disputed invoices. The Directorate expects to collect all financial assets that are not impaired.

CMTEDD's receivables also include loan facilities to the value of \$70 million established under agreements between CHC and the Territory (refer to Note 2(p), 'Receivables'). CHC is a not for profit company, which provides affordable homes to low and moderate income households for rent and sale.

These loans are secured by the Territory placing mortgages over CHC's assets to the value of \$75 million in the 2011-12 financial year. The properties were independently valued in June 2015, at \$75.365 million.

The loan facilities comprise:

- a \$50 million interest only loan, which converts to principal and interest on 1 January 2018 and has a maturity date of 31 December 2037; and
- a \$20 million interest only loan, which converts to principal and interest on 1 July 2021 and has a maturity date of 31 December 2036.

Interest on both loans is calculated at the applicable interest rate and is payable quarterly in arrears. CMTEDD's credit risk in relation to the amount receivable against these loans is limited to the fair value of the mortgaged properties. The balance of the loans outstanding as at 30 June 2016 was \$68 million.

The Directorate regularly reviews CHC's financial position through analysis of CHC's quarterly reports, annual reports and the Statement of Corporate Intent. The Territory's housing market is monitored to assess the effect of any potential changes on CHC's operation. CMTEDD's loan to CHC is not considered to have a significantly increased risk compared with last year.

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**NOTE 42. FINANCIAL INSTRUMENTS - CONTINUED**

**Credit Risk - Continued**

During 2013-14, CMTEDD (then the Chief Minister and Treasury Directorate) entered into a fixed interest loan arrangement with the Exhibition Park Corporation (EPC) for up to \$1.5 million. Quarterly instalments to repay principal and interest in arrears are required to commence on 1 October 2016, with the final payment due on or before 1 July 2031. The EPC loan was provided to facilitate the purchase of Block 799 Gungahlin to provide low cost accommodation on the site. The first issue of principal to EPC from this loan was made in June 2014.

On 1 January 2015, EPC transferred to CMTEDD following the repeal of the *Exhibition Park Corporation Act 1976*. Following the transfer, CMTEDD took responsibility for the repayment of this loan. The remainder of the \$1.2 million was drawn from the TBA in February 2015.

Other than the loans mentioned above, there is no significant concentration of credit risk that has been identified in this analysis.

**Liquidity Risk**

Liquidity risk is the risk that CMTEDD will be unable to meet its financial obligations as they fall due. The CMTEDD's main financial liabilities relate to ACT Government borrowings, the payment of grants and the purchase of supplies and services.

The main source of cash to pay these obligations is appropriation from Government, which is paid fortnightly during the year on a cash needs basis. CMTEDD manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of financial liabilities.

CMTEDD's exposure to liquidity risk is considered immaterial based on experience from prior years and the current assessment of risk.

The Directorate'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 (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Directorate's exposure to price risk and the management of this risk has not changed since the previous reporting period.

*Sensitivity Analysis*

A sensitivity analysis has not been undertaken as CMTEDD has no exposure to price risk.

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**NOTE 42. FINANCIAL INSTRUMENTS - CONTINUED**

**Fair Value of Financial Assets and Liabilities**

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

	<b>Note</b>	<b>Carrying Amount 2016 \$'000</b>	<b>Fair Value Amount 2016 \$'000</b>	<b>Carrying Amount 2015 \$'000</b>	<b>Fair Value Amount 2015 \$'000</b>
	<b>No.</b>				
<b>Financial Assets</b>					
Cash and Cash Equivalents	22	82 435	82 435	125 926	125 926
Receivables <sup>a,1</sup>	23	77 933	77 933	52 101	52 101
Loans Receivable <sup>1</sup>	23	68 289	68 289	68 339	68 339
<b>Total Financial Assets</b>		<b>228 657</b>	<b>228 657</b>	<b>246 366</b>	<b>246 366</b>
<b>Financial Liabilities</b>					
Bank Overdraft	32	37 498	37 498	13 403	13 403
Payables <sup>a</sup>	33	62 592	62 592	23 146	23 146
ACT Government Borrowings <sup>1</sup>	34, 35	70 597	70 597	71 280	71 280
<b>Total Financial Liabilities</b>		<b>170 687</b>	<b>170 687</b>	<b>107 829</b>	<b>107 829</b>

<sup>a</sup> The Receivables and Payables figures exclude net GST Receivables/Payables.

<sup>1</sup> The 2014-15 figures have been amended to show interest bearing and non-interest bearing receivables and borrowings in categories consistent with 2015-16.

The following tables set out the Directorate's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2016 and 30 June 2015. Except for non-current payables, financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

2016	Note No.	Weighted Average Interest Rate	Floating Interest \$'000	Fixed Interest Maturing In:			Non Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	Over 1 to 5 Years \$'000	Over 5 Years \$'000		
Financial Assets								
Cash and Cash Equivalents	22	-	-	-	-	-	82 435	82 435
Receivables <sup>a</sup>	23		-	-	-	-	77 933	77 933
Loans Receivable	23	2.3%	68 289	-	-	-	-	68 289
Total Financial Assets			68 289	-	-	-	160 368	228 657
Financial Liabilities								
Bank Overdraft	32		-	-	-	-	37 498	37 498
Payables <sup>a</sup>	33		-	-	-	-	62 592	62 592
ACT Government Borrowings	34, 35	2.2%	68 112	51	309	1 140	985	70 597
Total Financial Liabilities			68 112	51	309	1 140	101 075	170 687
Net Financial Assets/ (Liabilities)			177	(51)	(309)	(1 140)	59 293	57 970

<sup>a</sup> The Receivables and Payables figures exclude net GST Receivables/Payables.

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**NOTE 42. FINANCIAL INSTRUMENTS - CONTINUED**

2015		Weighted		Fixed Interest Maturing In:			Non	
	Note	Average	Floating	1 Year	Over 1	Over	Interest	Total
	No.	Interest	Interest	or Less	to 5 Years	5 Years	Bearing	
		Rate	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>								
Cash and Cash Equivalents	22	-	-	-	-	-	125 926	125 926
Receivables <sup>a, 1</sup>	23		-	-	-	-	52 101	52 101
Loans Receivable <sup>1</sup>	23	2.6%	68 339	-	-	-	-	68 339
<b>Total Financial Assets</b>			<b>68 339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178 027</b>	<b>246 366</b>
<b>Financial Liabilities</b>								
Bank Overdraft	32		-	-	-	-	13 403	13 403
Payables <sup>a</sup>	33		-	-	-	-	23 146	23 146
ACT Government Borrowings <sup>1, 2</sup>	34, 35		68 112	-	277	1 223	1 668	71 280
<b>Total Financial Liabilities</b>			<b>68 112</b>	<b>-</b>	<b>277</b>	<b>1 223</b>	<b>38 217</b>	<b>107 829</b>
<b>Net Financial Assets/ (Liabilities)</b>			<b>227</b>	<b>-</b>	<b>(277)</b>	<b>(1 223)</b>	<b>139 810</b>	<b>138 537</b>

<sup>a</sup> The Receivables and Payables figures exclude net GST Receivables/Payables.

<sup>1</sup> The 2014-15 figures have been amended to show interest bearing and non-interest bearing receivables and borrowing in categories consistent with 2015-16.

<sup>2</sup> The 2014-15 Floating Interest and Fixed Interest categories have also been amended to correctly illustrate the arrangements for the EPIC loan.

	Note	2016	2015
	No.	\$'000	\$'000
<b>Carrying Amount of Each Category of Financial Asset and Financial Liability</b>			
<b>Financial Assets</b>			
Loans and Receivables Measured at Amortised Cost <sup>a, 1</sup>	23	146 222	120 440
<b>Financial Liabilities</b>			
Financial Liabilities Measured at Amortised Cost <sup>a, 1</sup>	32, 33, 34, 35	170 687	107 829

<sup>a</sup> The Loans and Receivables and Financial Liabilities Measured at Amortised Cost figures exclude net GST Receivables/Payables.

<sup>1</sup> The 2014-15 figures have been amended to show interest bearing and non-interest bearing receivables and borrowing in categories consistent with 2015-16.

The Directorate does not have any financial assets in the 'Available for Sale' category or the 'Held to Maturity' category and, as such, these categories are not included above. Also, the Directorate 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.

# Chief Minister, Treasury and Economic Development Directorate

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 43. COMMITMENTS

##### Non-Cancellable Operating Lease Commitments

The Directorate has various non-cancellable operating leases for buildings. These leases have varying terms, escalation clauses and renewal rights. There are no conditions in the lease agreements requiring the Directorate to restore the sites that the leased buildings are situated on. The operating lease agreements give the Directorate the right to renew the leases. Renegotiations of the leased terms occur on renewal of the leases.

Also, due to a change in the whole of government car leasing arrangements with SG Fleet on 23 April 2015, all of the Directorate's vehicle leases were reclassified from finance to operating leases on that date.

	2016 \$'000	2015 \$'000
Payable:		
- within one year	30 617	27 919
- later than one year but not later than five years	94 286	80 934
- later than five years	103 453	83 353
<b>Total Non-Cancellable Operating Lease Commitments <sup>1</sup></b>	<b>228 356</b>	<b>192 206</b>

##### Capital Commitments

The Directorate's capital commitments include various building and infrastructure capital works projects, the whole of government Digital Network Components Replacement, and IT Services Management projects.

Capital commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows.

##### *Capital Commitments - Property, Plant and Equipment*

Payable:		
- within one year	63 556	6 761
- later than one year but not later than five years	5 316	21 470
<b>Total Capital Commitments - Property, Plant and Equipment <sup>2</sup></b>	<b>68 872</b>	<b>28 231</b>

##### *Capital Commitments - Intangible Assets*

Payable:		
- within one year	581	2 237
<b>Total Capital Commitments - Intangible Assets</b>	<b>581</b>	<b>2 237</b>

<b>Total Capital Commitments</b>	<b>69 453</b>	<b>30 468</b>
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##### Other Commitments

The Directorate's Other Commitments relate mainly to software licenses, ICT support and maintenance, and parking related support services.

As at 30 June 2016, the Directorate had entered into contracts for the following commitments, which have not been recognised as liabilities.

Payable:		
- within one year	68 538	48 489
- later than one year but not later than five years	53 966	58 568
- later than five years	161	3 223
<b>Total Other Commitments <sup>3</sup></b>	<b>122 665</b>	<b>110 280</b>

<sup>1</sup> This increase includes the contract renewal of the Winyu House, Nature Conservation House and 11 Moore Street offices.

<sup>2</sup> This increase includes the commitments relating to the public housing renewal program.

**Chief Minister, Treasury and Economic Development Directorate**  
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**For the Year Ended 30 June 2016**

**NOTE 43. COMMITMENTS - CONTINUED**

<sup>3</sup> This increase is impacted by the transfer of Vocational Education and Training to CMTEDD from the then Education and Training Directorate (ETD) following the Administrative Arrangements (AAs) of 22 January 2016.

**NOTE 44. GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**Guarantees**

As at 30 June 2016, the Directorate had no outstanding guarantees (nil at 30 June 2015).

**Contingent Liabilities**

The Directorate has several contingent liabilities as at 30 June 2016, as indicated below.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Loose-Fill Asbestos Insulation Eradication Scheme - Building Demolition and Land Remediation	15 692	41 210
Land Restoration	12 678	12 974
Legal Claims	1 444	8 036
<b>Total Contingent Liabilities</b>	<b>29 814</b>	<b>62 220</b>

*Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme) – Building Demolition and Land Remediation*

In addition to the provisions recorded elsewhere in these financial statements, the Directorate has a contingent liability relating to the estimated cost of building demolition and land remediation for the 99 asbestos affected properties (260 as at 30 June 2015) that the Government has made an offer to buy under the Scheme, and this offer has been accepted by the homeowners, but the settlement on the properties has not yet occurred. Refer to Note 2(y), 'Significant Accounting Policies: Loose-Fill Asbestos Insulation Eradication Scheme', Note 2(hh)(viii), 'Significant Accounting Policies: Significant Accounting Judgements and Estimates: Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme)', and Note 37, 'Other Provisions', for more information.

*Land Restoration*

The Directorate manages 60 sites (57 as at 30 June 2015) that contain contaminated materials. The contamination includes fuel tanks, sheep dips, chemical contaminations, asbestos and other hazardous materials. While there is no present obligation to remediate these sites, a contingent liability reflecting the possible future costs has been estimated. This estimate is an internal assessment undertaken by the Directorate's officers and is based on costs incurred for restoring similar sites in previous years.

*Legal Claims*

The Directorate's contingent liability includes the value of claims lodged against the Territory relating to matters associated with either contractual disputes or economic loss. Due to the protracted nature of legal proceedings and the various discoveries that can be made over the foreseeable future, it is not possible, with any certainty, to make an assessment of liability of some legal claims.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 44. GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS - CONTINUED**

**Contingent Assets**

The Directorate has several contingent assets as at 30 June 2016, as indicated below.

	2016 \$'000	2015 \$'000
Loose-Fill Asbestos Insulation Eradication Scheme - Land Assets	37 698	88 387
Loose-Fill Asbestos Insulation Eradication Scheme - Building Demolition and Land Remediation Works	15 691	41 210
<b>Total Contingent Assets</b>	<b>53 389</b>	<b>129 597</b>

*Estimated Value of Loose-Fill Asbestos Insulation Eradication Scheme - Land Assets*

The Directorate has a contingent asset relating to the 99 asbestos affected properties (260 as at 30 June 2015) that the Government has made an offer to buy under the Scheme, and this offer has been accepted by the homeowners, but settlement on the properties has not yet occurred. Refer to Note 2(y), 'Significant Accounting Policies: Loose-Fill Asbestos Insulation Eradication Scheme', Note 2(hh)(viii), 'Significant Accounting Policies: Significant Accounting Judgements and Estimates: Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme)', and Note 37, 'Other Provisions', for more information.

*Loose-Fill Asbestos Insulation Eradication Scheme – Building Demolition and Land Remediation Works*

The Directorate also has a contingent asset relating to the estimated increase in value of land following completion of the building demolition and land remediation works associated with the 99 asbestos affected properties (260 as at 30 June 2015) that the Government has made an offer to buy under the Scheme, and this offer has been accepted by the homeowners, but the settlement on the properties has not yet occurred. Refer to Note 2(y), 'Significant Accounting Policies: Loose-Fill Asbestos Insulation Eradication Scheme', Note 2(hh)(viii), 'Significant Accounting Policies: Significant Accounting Judgements and Estimates: Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme)', and Note 37, 'Other Provisions', for more information.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 45. CASH FLOW RECONCILIATION**

	2016 \$'000	2015 \$'000
<b>(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet</b>		
Total Cash and Cash Equivalents Disclosed in the Balance Sheet	82 435	125 926
Total Bank Overdraft Disclosed in the Balance Sheet	(37 498)	(13 403)
<b>Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement</b>	<b>44 937</b>	<b>112 523</b>
<b>(b) Reconciliation of Operating Surplus/(Deficit) to Net Cash Inflows/(Outflows) from Operating Activities</b>		
Operating (Deficit)/Surplus	(87 525)	(134 803)
<b>Add/(Less) Non-Cash Items</b>		
Depreciation of Property, Plant and Equipment	69 364	63 335
Amortisation of Intangibles	4 756	3 652
Gains from the Contributed Assets	(15 811)	(10)
Resources Received Free of Charge	3 850	4 415
Impairment Losses on Assets	242	-
Impairment Losses on Debts	1 478	-
<b>Add/(Less) Items Classified as Investing or Financing</b>		
Administrative Arrangements - Cash Transfer	(352)	(33 715)
Loose-Fill Asbestos Insulation Eradication Scheme - Non-Cash Provisions	(20 397)	(108 451)
Loose-Fill Asbestos Insulation Eradication Scheme - Financial Assistance Payments	2 876	7 503
Purchase of Assets below Capitalisation Threshold	3 843	748
Gains on Derecognition of Finance Leases	-	4 292
Transactions associated with the Net (Gain) on Disposal of Non-Current Assets	(368)	(767)
Gains from the Revaluation of Investment Properties	(1 511)	-
Increase/(Decrease) in ACT Government Borrowings	(683)	842
Assets Held for Sale	(54 258)	-
Loss on Finance Lease Vehicles	-	3 119
Losses from Contributed Assets	95 672	-
Losses from the Sale of Assets	1 515	-
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>2 691</b>	<b>(189 840)</b>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase)/Decrease in Receivables	(28 391)	(64 975)
(Increase)/Decrease in Inventories	(955)	(282)
(Increase)/Decrease in Other Assets	(683)	(8 296)
Increase/(Decrease) in Payables	35 873	30 940
Increase/(Decrease) in Provisions	(40 893)	204 215
Increase/(Decrease) in Employee Benefits	(2 549)	80 280
Increase/(Decrease) in Other Liabilities	(977)	16 652
<b>Net Changes in Operating Assets and Liabilities</b>	<b>(38 575)</b>	<b>258 534</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>(35 884)</b>	<b>68 692</b>

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 46. EVENTS OCCURRING AFTER BALANCE DATE**

There were no events occurring after the balance date, which would affect the financial statements as at 30 June 2016, or in future reporting periods.

**NOTE 47. THIRD PARTY MONIES**

The following tables and associated commentary provide information about monies held by the Directorate on behalf of third parties.

**Third Party Monies held in the ACT Superannuation Trust Account**

The ACT Superannuation Trust Account was specifically set up for the settlement of superannuation claims. The claims relate to current and former members of the ACT Government who did not receive the correct superannuation entitlements as required under superannuation law at the time of their employment.

	2016 \$'000	2015 \$'000
<b>Balance at the Beginning of the Reporting Period</b>	<b>1 406</b>	<b>1 387</b>
Cash Receipts	163	99
Cash Payments	(268)	(80)
<b>Balance at the End of the Reporting Period</b>	<b>1 300</b>	<b>1 406</b>

**Third Party Monies held for Tourism Accommodation Bookings**

VisitCanberra takes accommodation bookings from visitors on behalf of the accommodation and attraction vendors. Payments are made to the vendors on a monthly basis.

<b>Balance at the Beginning of the Reporting Period</b>	<b>66</b>	<b>-</b>
Transfer in from the former Economic Development Directorate (EDD) <sup>1</sup>	-	82
Cash Receipts	714	723
Cash Payments	(724)	(739)
<b>Balance at the End of the Reporting Period</b>	<b>56</b>	<b>66</b>

**Unclaimed Lottery Prize Monies held in Trust for the Gambling and Racing Commission**

The Directorate holds unclaimed lottery prize monies for the ACT Gambling and Racing Commission.

<b>Balance at the Beginning of the Reporting Period</b>	<b>2 163</b>	<b>-</b>
Transfer in from the former EDD <sup>1</sup>	-	2 095
Cash Receipts	62	68
Cash Payments	-	-
<b>Balance at the End of the Reporting Period</b>	<b>2 224</b>	<b>2 163</b>

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 47. THIRD PARTY MONIES - CONTINUED**

**Security Deposits held for Procurement**

Third Party Monies held in the ACT Procurement Trust Account are monies received from Contractors who have entered into Agreements with the Territory. Those Agreements have clauses which specify the amount of 'security' to be held and at what point those securities can be released to the Contractor and also clauses around how the Territory can access those securities if the terms of the Agreement have not been met.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at the Beginning of the Reporting Period</b>	<b>1 900</b>	<b>-</b>
Transfer in from the former Commerce and Works Directorate (CWD) <sup>2</sup>	-	1 789
Cash Receipts	976	1 006
Cash Payments	(1 107)	(895)
<b>Balance at the End of the Reporting Period</b>	<b>1 769</b>	<b>1 900</b>

**Rental Bonds Trust Account**

The Rental Bonds Trust Account was set up for the purposes of receipting and refunding bonds in relation to residential tenancy agreements (*Residential Tenancies Act 1997*).

<b>Balance at the Beginning of the Reporting Period</b>	<b>403</b>	<b>-</b>
Transfer in from the Justice and Community Safety Directorate (JACSD) <sup>3</sup>	-	185
Cash Receipts	31 566	17 127
Cash Payments	(31 404)	(16 908)
<b>Balance at the End of the Reporting Period</b>	<b>566</b>	<b>403</b>

**Road User Services (RUS) Trust Account**

The Road User Services (RUS) Trust Account was set up for the purposes of holding third party funds collected with the vehicle registrations payments, which are distributed to insurers and other parties as required for the administration of third party insurance activities.

<b>Balance at the Beginning of the Reporting Period</b>	<b>4 427</b>	<b>-</b>
Transfer in from JACSD <sup>3</sup>	-	12 285
Cash Receipts	182 127	109 269
Cash Payments	(180 050)	(117 128)
<b>Balance at the End of the Reporting Period</b>	<b>6 504</b>	<b>4 427</b>

<b>Total Third Party Monies</b>	<b>12 419</b>	<b>10 364</b>
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<sup>1</sup> These trusts were transferred from the former EDD following the Administrative Arrangements (AAs) of 7 July 2014.

<sup>2</sup> This trust was transferred from the former CWD following the AAs of 7 July 2014.

<sup>3</sup> These trusts were transferred from JACSD following the AAs of 15 December 2014.

# Chief Minister, Treasury and Economic Development Directorate

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 48. BUDGETARY REPORTING - EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met;

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

Original Budget refers to the amounts presented to the Chief Minister, Treasury and Economic Development Directorate in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

	Actual 2015-16 \$'000	Original Budget 2015-16 \$'000	Variance \$'000	Variance %
<b>Operating Statement Line Items</b>				
<b>Revenue</b>				
User Charges – ACT Government	242 356	296 322	(53 966)	-18%
The decrease is mainly due to reduced rent following the transfer of the Magistrate Court from the ACT Property Group to the Justice and Community Safety Directorate (JACSD), the removal of internal trading transactions within the Directorate (which was not done in the original budget), a reduction in direct purchases of ICT business systems by Shared Services on behalf of other agencies and a reduction in the use of ACT Property Group project related services for minor new works by other agencies.				
<b>Expenses</b>				
Employee Expenses	238 966	215 346	23 620	11%
The increase is mainly due to the full year impact of Administrative Arrangements (AAs) and other transfers to CMTEDD during 2014-15, the impact of the transfer of the National Arboretum Canberra from the Territory and Municipal Services Directorate (TAMSD) and Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) following the AAs of 22 January 2016.				
Supplies and Services	242 762	279 113	(36 351)	-13%
The decrease is due largely to the deferral of expenditure from 2015-16 to future years, a reduction in direct purchases of ICT business systems by Shared Services on behalf of other agencies, and the removal of internal trading transactions within the Directorate.				
Grants and Purchased Services	106 628	71 870	34 758	48%
The increase is mainly due to a reduction of homeowners opting into the Loose-Fill Asbestos Insulation Eradication Scheme (Scheme) during 2015-16 compared to 2014-15 and the transfer of VET from the then ETD following the AAs of 22 January 2016, partially offset by the deferral of expenditure from 2015-16 to 2016-17.				
Other Expenses	99 912	36 405	63 507	174%
The increase is mainly due to the transfer of the completed capital works to TAMSD, the Magistrate Court to JACSD (\$21.8 million) and land and buildings to the Land Development Agency (LDA) (\$3.7 million).				

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 48. BUDGETARY REPORTING - EXPLANATIONS OF MAJOR VARIANCES BETWEEN  
ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS - CONTINUED**

	Actual 2015-16 \$'000	Original Budget 2015-16 \$'000	Variance \$'000	Variance %
<b>Balance Sheet Line Items</b>				
<b>Assets</b>				
Cash and Cash Equivalents	82 435	27 757	54 678	197%
This increase is largely due to an increase in operating cash held to provide flexibility for the management of the loose-fill asbestos insulation eradication scheme (the Scheme).				
Receivables - Current	85 375	68 129	17 246	25%
This increase is mainly due to the transfer of the National Arboretum Canberra (NAC) from the Territory and Municipal Services Directorate (TAMSD) and Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) following the Administrative Arrangements (AAs) of 22 January 2016, and the timing of the billing and associated receipt of payments for ICT, HR and Finance services provided by Shared Services on behalf of the ACT Government (at 30 June 2016, a larger value of charges, largely for ICT services, remained unbilled compared to the original budget).				
Assets Held for Sale	54 258	-	54 258	100%
The increase reflects the completion of remediation for the first blocks of land under the Scheme during 2015-16, partially offset by the sale of the first few remediated properties. There is no budget for this item, as the accounting treatment and the estimated timing of financial transactions associated with the Scheme were still being worked on at the time of the 2015-16 Budget was finalised.				
Capital Works in Progress	368 430	533 267	(164 837)	-31%
The decrease is largely due to lower than planned progression of capital works during the year, savings in the capital works program, and an acceleration of the Public Housing Renewal program through the purchase of established properties for transfer to Housing ACT rather than building them.				
<b>Liabilities</b>				
Payables	67 231	23 808	43 423	182%
This increase is mainly due to the transfer of the NAC from TAMSD and VET from the then ETD following the AAs of 22 January 2016, and the timing of payments associated with work done for the public housing renewal project.				
Other Provisions - Current	109 461	-	109 461	100%
This increase is largely due to the establishment of provisions associated with the Scheme. These provisions recognise the expense component for the purchase of properties where home owners have opted into the buyback scheme, but had not settled by 30 June 2016, and the estimated cost of the associated building demolition and land remediation works expected to be undertaken in the next 12 months for asbestos affected properties. There is no budget for this item, as the accounting treatment and the estimated timing of financial transactions associated with the Scheme were still being worked on at the time of the 2015-16 Budget was finalised.				
Other Provisions Non-Current	53 896	198	53 698	27120%
The increase is largely due to the establishment of a provision associated with the Scheme. This provision recognises the estimated cost of the building demolition and land remediation works expected to be undertaken in more than 12 months for asbestos affected properties acquired on or before 30 June 2016.				

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 48. BUDGETARY REPORTING - EXPLANATIONS OF MAJOR VARIANCES BETWEEN  
ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS - CONTINUED**

	Actual 2015-16 \$'000	Original Budget 2015-16 \$'000	Variance \$'000	Variance %
<b>Statement of Changes in Equity</b>				
These line items are covered in the other financial statements.				
<b>Cash Flow Statement Line Items</b>				
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
User Charges – ACT Government	222 426	298 962	(76 536)	-26%
The decrease is mainly due to reduced rent following the transfer of the Magistrate Court from the ACT Property Group (ACTPG) to the Justice and Community Safety Directorate (JACSD), the removal of internal trading transactions within the Directorate, a reduction in direct purchases of ICT business systems by Shared Services on behalf of other agencies, a reduction in rent following the relocation of Shared Services staff from Woden to Gungahlin and a reduction in the use of ACTPG project related services for minor new works by other agencies.				
Capital Works Receipts	346 524	563 912	(217 388)	-39%
This decrease reflects lower than anticipated receipts received from ACT Government directorates and agencies for capital works projects managed on their behalf. The decrease also reflects the removal of internal trading transactions from within the Directorate, which were not removed in the original budget.				
<b>Payments</b>				
Employees	241 857	214 024	27 833	13%
The increase is mainly due to the full year impact of Administrative Arrangements (AAs) and other transfers to CMTEDD during 2014-15, the impact of the transfer of the National Arboretum Canberra (NAC) from the Territory and Municipal Services Directorate (TAMSD) and Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) following the AAs of 22 January 2016.				
Supplies and Services	230 309	283 442	(53 133)	-19%
The decrease is due largely to the rollover of funding from 2015-16 to future years, a reduction in direct purchases of ICT business systems by Shared Services on behalf of other agencies, and lower than estimated expenditure for data storage infrastructure.				
Capital Works	360 718	563 912	(203 194)	-36%
This decrease reflects lower than anticipated payments made on behalf of directorates and agencies for capital works projects managed on their behalf.				

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 48. BUDGETARY REPORTING - EXPLANATIONS OF MAJOR VARIANCES BETWEEN  
ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS - CONTINUED**

	Actual 2015-16 \$'000	Original Budget 2015-16 \$'000	Variance \$'000	Variance %
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from Scheme Land Sales	5 860	53 080	(47 220)	-89%
This decrease primarily reflects a later than expected commencement of the sales phase of the Scheme.				
Proceeds from Sale of Property, Plant and Equipment	1 896	361	1 535	425%
This increase primarily relates to proceeds from sale of ICT assets and fleet vehicles which were not budgeted for.				
<b>Payments</b>				
Capital Works in Progress	155 334	258 476	(103 142)	-40%
This decrease is largely due to the lower than planned progression of capital works during the year, and savings in the Directorate's capital works program.				
Loose-Fill Asbestos Insulation Eradication Scheme Land Purchases	102 511	127 587	(25 076)	-20%
This decrease is due to the timing of payments for purchases of asbestos affected land associated with the Scheme.				
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Capital Injections	285 707	426 766	(141 059)	-33%
This decrease is largely due to the lower than planned progression of capital works during the year, largely due to the later than estimated acquisition of asbestos affected properties and the associated building demolition and land remediation under the Scheme, and savings in the Directorate's capital works program.				



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

## **Territorial Financial Statements**

**For the Year Ended  
30 June 2016**



**Chief Minister, Treasury and Economic Development Directorate**  
**Statement of Income and Expenses on Behalf of the Territory**  
**For the Year Ended 30 June 2016**

		Actual	Original	Actual
	Note	2016	Budget	2015
	No.	\$'000	\$'000	\$'000
<b>Income</b>				
<i>Revenue</i>				
Payments for Expenses on Behalf of the Territory	50	71 191	73 605	70 278
Taxes, Fees and Fines	51	1 741 206	1 672 705	1 179 588
User Charges - Non ACT Government	52	15 682	17 176	8 799
Grants From Commonwealth	53	1 545 804	1 538 949	1 671 095
Dividend Revenue	54	256 810	238 451	189 584
Land Revenue	55	70 955	12 921	41 865
Other Revenue	56	2 152	1 642	1 482
<b>Total Revenue</b>		<b>3 703 800</b>	<b>3 555 449</b>	<b>3 162 691</b>
<i>Gains</i>				
Gain on Investments	57	-	-	38
Other Gains	58	-	-	105 500
<b>Total Gains</b>		<b>-</b>	<b>-</b>	<b>105 538</b>
<b>Total Income</b>		<b>3 703 800</b>	<b>3 555 449</b>	<b>3 268 229</b>
<b>Expenses</b>				
Supplies and Services	59	11 665	11 741	11 417
Grants and Purchased Services	60	61 825	45 112	60 676
Waivers, Impairment Losses and Write-Offs	61	6 504	9 080	5 374
Other Expenses	62	2 224	27 892	51
Cost of Land Sold	63	60 210	-	38 394
Transfer to Government	64	3 566 964	3 461 624	3 152 085
<b>Total Expenses</b>		<b>3 709 392</b>	<b>3 555 449</b>	<b>3 267 997</b>
<b>Operating Surplus/(Deficit)</b>		<b>(5 592)</b>	<b>-</b>	<b>232</b>
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified subsequently to profit and loss</i>				
Increase/(Decrease) in the Asset Revaluation Surplus	75	8 669	17 804	13 190
<b>Total Other Comprehensive Income/(Deficit)</b>		<b>8 669</b>	<b>17 804</b>	<b>13 190</b>
<b>Total Comprehensive Income/(Deficit)</b>		<b>3 077</b>	<b>17 804</b>	<b>13 422</b>

This table may not add due to rounding.

The above Statement of Income and Expenses on Behalf of the Territory should be read in conjunction with the accompanying notes.

**Chief Minister, Treasury and Economic Development Directorate**  
**Statement of Assets and Liabilities on Behalf of the Territory**  
**As at 30 June 2016**

	<b>Note</b>	<b>Actual</b>	<b>Original</b>	<b>Actual</b>
	<b>No.</b>	<b>2016</b>	<b>Budget</b>	<b>2015</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	66	5 651	40 801	9 734
Receivables	67	368 745	195 743	252 755
Inventories	68	438	4 335	657
Other Assets	69	400	-	358
<b>Total Current Assets</b>		<b>375 234</b>	<b>240 879</b>	<b>263 504</b>
<b>Non-Current Assets</b>				
Investments	70	1 182	1 641	1 683
Property, Plant and Equipment	71	397 395	604 676	380 935
<b>Total Non-Current Assets</b>		<b>398 577</b>	<b>606 317</b>	<b>382 618</b>
<b>Total Assets</b>		<b>773 811</b>	<b>847 196</b>	<b>646 122</b>
<b>Current Liabilities</b>				
Payables	72	382 272	207 130	265 161
Other Provisions	73	1 936	280	866
Other Liabilities	74	1 611	8 562	1 243
<b>Total Current Liabilities</b>		<b>385 819</b>	<b>215 972</b>	<b>267 270</b>
<b>Total Liabilities</b>		<b>385 819</b>	<b>215 972</b>	<b>267 270</b>
<b>Net Assets</b>		<b>387 992</b>	<b>631 224</b>	<b>378 852</b>
<b>Equity</b>				
Accumulated Funds		364 493	575 377	364 023
Asset Revaluation Surplus	75	23 499	55 847	14 829
<b>Total Equity</b>		<b>387 992</b>	<b>631 224</b>	<b>378 852</b>

This table may not add due to rounding.

The above Statement of Assets and Liabilities on Behalf of the Territory should be read in conjunction with the accompanying notes.

**Chief Minister, Treasury and Economic Development Directorate**  
**Statement of Changes in Equity on Behalf of the Territory**  
**For the Year Ended 30 June 2016**

		Asset		
	Accumulated	Revaluation	Total	Original
Note	Funds	Surplus	Equity	Budget
No.	Actual	Actual	Actual	Budget
	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2015</b>	<b>364 023</b>	<b>14 829</b>	<b>378 852</b>	<b>526 420</b>
<b>Comprehensive Income</b>				
Operating Surplus/(Deficit)	(5 591)	-	<b>(5 591)</b>	-
Increase/(Decrease) in Asset Revaluation Surplus	75 -	8 669	<b>8 669</b>	17 804
<b>Total Comprehensive Income</b>	<b>(5 591)</b>	<b>8 669</b>	<b>3 078</b>	<b>17 804</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>				
Capital Injections	66 272	-	<b>66 272</b>	87 000
Capital (Distributions)	(60 210)	-	<b>(60 210)</b>	-
Net Assets Transferred in as part of an Administrative Arrangement	76 (2)	-	<b>(2)</b>	-
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>6 060</b>	<b>-</b>	<b>6 060</b>	<b>87 000</b>
<b>Balance as at 30 June 2016</b>	<b>364 494</b>	<b>23 499</b>	<b>387 990</b>	<b>631 224</b>

This table may not add due to rounding.

The above Statement of Changes in Equity on Behalf of the Territory should be read in conjunction with the accompanying notes.

**Chief Minister, Treasury and Economic Development Directorate**  
**Statement of Changes in Equity on Behalf of the Territory**  
**For the Year Ended 30 June 2016**

		Asset	
	Accumulated	Revaluation	Total
	Funds	Surplus	Equity
Note	Actual	Actual	Actual
No.	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2014</b>	-	-	-
Net Effect Correction of Prior Year Error <sup>1</sup>	(34 516)	-	<b>(34 516)</b>
<b>Comprehensive Income</b>			
Operating Surplus/(Deficit)	232	-	<b>232</b>
Increase/(Decrease) in the Asset Revaluation Surplus	75 -	13 190	<b>13 190</b>
<b>Total Comprehensive Income</b>	<b>232</b>	<b>13 190</b>	<b>13 422</b>
<b>Movement in Reserves</b>			
Transfer to/(from) Accumulated Funds	(1 639)	1 639	-
<b>Total Movement in Reserves</b>	<b>(1 639)</b>	<b>1 639</b>	-
<b>Transactions Involving Owners Affecting Accumulated Funds</b>			
Capital Injections	60 804	-	<b>60 804</b>
Capital (Distributions)	(38 445)	-	<b>(38 445)</b>
Net Assets Transferred in as part of an Administrative Arrangement	76 377 587	-	<b>377 587</b>
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>399 946</b>	-	<b>399 946</b>
<b>Balance as at 30 June 2015</b>	<b>364 023</b>	<b>14 829</b>	<b>378 852</b>

This table may not add due to rounding.

The above Statement of Changes in Equity on Behalf of the Territory should be read in conjunction with the accompanying notes.

<sup>1</sup> This adjustment corrects an error in accounting for the proceeds of Land Rent block sales in prior years. The opening 'Balance as at 1 July 2014' has not been updated, as this error was transferred to the Directorate following the Administrative Arrangements (AAs) of 7 July 2014. The error results from the proceeds from the sale of Land Rent blocks being recorded as reductions in payables to the Territory Banking Account (TBA) rather than as capital distributions to Government.

**Chief Minister, Treasury and Economic Development Directorate**  
**Cash Flow Statement on Behalf of the Territory**  
**For the Year Ended 30 June 2016**

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Cash from Government for Expenses on Behalf of the Territory		43 760	47 701	44 027
Cash from Government - Community Service Obligation Payments		27 431	25 904	31 678
Taxes, Fees and Fines		1 664 113	1 563 623	1 154 551
User Charges		15 682	17 176	10 862
Grants received from the Commonwealth		1 545 804	1 539 247	1 671 095
Dividends		213 827	193 966	172 832
Land Rent		8 806	-	1 224
Goods and Services Tax Input Tax Credits from the Australian Tax Office (ATO)		-	946	-
Goods and Services Tax Collected from Customers		4 925	1 745	229
Other Receipts		2 288	117 457	1 553
<b>Total Receipts from Operating Activities</b>		<b>3 526 636</b>	<b>3 507 765</b>	<b>3 088 051</b>
<b>Payments</b>				
Supplies and Services		13 866	12 039	11 329
Grants and Purchased Services		75 890	45 113	70 141
Transfer of Territory Receipts to the ACT Government		3 434 515	3 421 930	3 003 186
Goods and Services Tax Paid to Suppliers		103	946	58
Goods and Services Tax Remitted to Australian Taxation Office		4 877	1 745	5
Other		30	28 222	36
<b>Total Payments from Operating Activities</b>		<b>3 529 281</b>	<b>3 509 995</b>	<b>3 084 755</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	80	<b>(2 645)</b>	<b>(2 230)</b>	<b>3 296</b>

This table may not add due to rounding.

**Chief Minister, Treasury and Economic Development Directorate**  
**Cash Flow Statement on Behalf of the Territory - Continued**  
**For the Year Ended 30 June 2016**

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from the Sale of Land <sup>1</sup>		60 280	-	38 445
Proceeds from the Sale of Property, Plant and Equipment		-	2 230	-
Capital Distributions from Government <sup>2</sup>		-	-	105 500
<b>Total Receipts from Investing Activities</b>		<b>60 280</b>	<b>2 230</b>	<b>143 945</b>
<b>Payments</b>				
Purchase of Property, Plant and Equipment and Capital Works		67 781	87 000	91 669
<b>Total Payment from Investing Activities</b>		<b>67 781</b>	<b>87 000</b>	<b>91 669</b>
<b>Net Cash Inflows/(Outflows) from Investing Activities</b>		<b>(7 501)</b>	<b>(84 770)</b>	<b>52 276</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Capital Injections from Government		66 272	87 000	60 804
Receipt of Transferred Cash Balances		-	-	37 303
<b>Total Receipts from Financing Activities</b>		<b>66 272</b>	<b>87 000</b>	<b>98 107</b>
<b>Payments</b>				
Distributions to Government <sup>1,2</sup>		60 210	-	143 945
<b>Total Payments from Financing Activities</b>		<b>60 210</b>	<b>-</b>	<b>143 945</b>
<b>Net Cash Inflows/(Outflows) from Financing Activities</b>		<b>6 062</b>	<b>87 000</b>	<b>(45 838)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(4 084)</b>	<b>-</b>	<b>9 734</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		9 734	40 801	-
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	80	<b>5 651</b>	<b>40 801</b>	<b>9 734</b>

This table may not add due to rounding.

The above Cash Flow Statement on Behalf of the Territory should be read in conjunction with the accompanying notes.

<sup>1</sup> These values reflect the capital component of Land Rent block sales received by the Directorate during the year and the associated on-passage of funds to the Territory Banking Account (TBA).

<sup>2</sup> The 2014-15 values reflect proceeds from the sale of ACTTAB being received by the Directorate during the year and on-passed to the TBA.

# Chief Minister, Treasury and Economic Development Directorate

## Territorial Statement of Appropriation

### For the Year Ended 30 June 2016

	Original Budget 2016 \$'000	Total Appropriated 2016 \$'000	Appropriation Drawn 2016 \$'000	Appropriation Drawn 2015 \$'000
<b>Territorial</b>				
Payment for Expenses on Behalf of the Territory (including Community Service Obligation Payments)	73 605	77 069	71 191	75 705
Capital Injections	87 000	84 390	66 272	60 804
<b>Total Territorial Appropriation</b>	<b>160 605</b>	<b>161 459</b>	<b>137 463</b>	<b>136 509</b>

This table may not add due to rounding.

The above Territorial Statement of Appropriation should be read in conjunction with the accompanying notes.

#### Column Heading Explanations

The *Original Budget* column shows the amounts that appear in the Changes to Appropriation tables in the 2015-16 Budget Papers. These amounts also appear in the Cash Flow Statement on Behalf of the Territory of the Directorate.

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 during the year. This amount also appears in the Cash Flow Statement on Behalf of the Territory.

The following table and associated footnotes explain the movements between:

- the Original Budget and the Total Appropriated; and
- the Total Appropriated and the Appropriation Drawn.

#### Reconciliation of Territorial Appropriation for 2015-16

	Payment for Expenses on Behalf of the Territory \$'000	Capital Injections \$'000
<b>Original Budget</b>	<b>73 605</b>	<b>87 000</b>
<i>Changes in Territorial Appropriation during 2015-16</i>		
s14 - Transfer of Funds Between Appropriations <sup>1</sup>	3 380	(2 610)
s16 - Transfer of Functions after Appropriation Act Passed <sup>2</sup>	84	-
<i>Total Change in Territorial Appropriation during 2015-16</i>	<u>3 464</u>	<u>(2 610)</u>
<b>Total Appropriated</b>	<b>77 069</b>	<b>84 390</b>
Undrawn Funds <sup>3</sup>	(5 878)	(18 118)
<b>Total Appropriation Drawn</b>	<u><b>71 191</b></u>	<u><b>66 272</b></u>

This table may not add due to rounding.

#### Variances between 'Original Budget' and 'Total Appropriated'

<sup>1</sup> Several appropriation transfers impacted Payment for Expenses on Behalf of the Territory (EBT) and Territorial Capital Injections during 2015-16.

The EBT transfers comprised:

- \$2.610 million being transferred to EBT from Territorial Capital Injections to cover the remaining expenditure required under the First Home Owners' Grant (FHOG) scheme for 2015-16; and
- \$0.770 million being transferred to EBT from Controlled Capital Injections to cover the remaining expenditure required under the FHOG scheme for 2015-16.

## Chief Minister, Treasury and Economic Development Directorate

### Territorial Statement of Appropriation - Continued

### For the Year Ended 30 June 2016

The Capital Injections transfer resulted from \$2.610 million being transferred from Territorial Capital Injections to EBT to cover the remaining expenditure required under the FHOG scheme for 2015-16.

- <sup>2</sup> On 22 January 2016, *Administrative Arrangements 2014 (No 1)* (Notifiable Instrument NI2016-41) (AA) came into effect, which transferred responsibility for Vocational Education and Training from the Education Directorate (ED) to CMTEDD. The Directorate was transferred \$0.084 million in EBT appropriation associated with this AA.

#### **Variances between 'Total Appropriated' and 'Appropriation Drawn'**

- <sup>3</sup> The EBT appropriation remaining undrawn as at 30 June 2016 largely represents anticipated rollovers to 2016-17 associated with the Territorial Concessions Program. The undrawn Capital Injections appropriation results from a lower than expected take up of land rent blocks under the Land Rent Scheme during 2015-16.

# Chief Minister, Treasury and Economic Development Directorate

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**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 49. SIGNIFICANT ACCOUNTING POLICIES - TERRITORIAL**

All of the Directorate's accounting policies, which apply to both the Controlled and Territorial Annual Financial Statements, are contained in Note 2, 'Significant Accounting Policies'.

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

Under the *Financial Management Act 1996* (FMA), funds can be appropriated for expenses incurred on behalf of the Territory. The Directorate receives this appropriation to fund a number of expenses incurred on behalf of the Territory, mainly for the payment of grants to non-government organisations and individuals, concessions, and Community Service Obligations (CSOs) (refer Note 60, 'Grants and Purchased Services - Territorial').

	2016 \$'000	2015 \$'000
Payment for Expenses on Behalf of the Territory	43 760	44 027
Community Service Obligations	27 431	26 251
<b>Total Payment for Expenses on Behalf of the Territory</b> <sup>1, 2</sup>	<b>71 191</b>	<b>70 278</b>

<sup>1</sup> This increase largely reflects the full year impact of the transfer of the former Economic Development Directorate (EDD) to CMTEDD following the Administrative Arrangements of 7 July 2014 (prior to the transfer of EDD, roughly half of the annual grant payment to the racing industry had been paid). This is mostly offset by the deferral of some concessions payments to 2016-17 due to the timing of claims for payment.

<sup>2</sup> The reported Total Payment for Expenses on Behalf of the Territory (EBT) in 2014-15 differs from the amount of EBT appropriation drawn down, as disclosed in 'Territorial Statement of Appropriation' (\$75.705 million), by \$5.427 million. The difference arises due to the reversal of an accrual transferred in from the former CWD.

The accrual in question was first disclosed by the Community Services Directorate (CSD) in their annual financial statements for the year ended 30 June 2014, in relation to funding for CSOs and the subsidy and concessions program. On 1 July 2014, responsibility for the administration of the impacted CSOs and the subsidy and concessions program was transferred to the then CWD. The accrual was not reversed in CWD's Financial Statements for the period from 1 July to 6 July 2014, consequently, as a result of the transfer of the former CWD to CMTEDD on 7 July 2014, the reversal of this accrual impacted CMTEDD.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 51. TAXES, FEES AND FINES - TERRITORIAL**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Taxes</b>		
General Rates <sup>1,2</sup>	423 472	189 750
Land Tax <sup>3</sup>	101 006	88 010
Duties <sup>4</sup>	329 169	269 971
Levies <sup>1</sup>	80 549	43 285
Payroll Tax <sup>5</sup>	422 424	357 225
Income Tax Equivalents <sup>6</sup>	115 413	80 575
Network Facilities Tax	28 626	26 092
Other Taxes	105	246
<b>Total Taxes</b>	<b>1 500 764</b>	<b>1 055 154</b>
<b>Fees</b>		
Fees for Regulatory Services <sup>7</sup>	175 624	90 220
Water Abstraction Charge <sup>8</sup>	28 768	14 943
Other <sup>7,8</sup>	4 314	2 433
<b>Total Fees</b>	<b>208 706</b>	<b>107 596</b>
<b>Fines</b>		
Traffic Fines <sup>7</sup>	31 593	16 813
Other Fines <sup>7,8</sup>	143	25
<b>Total Fines</b>	<b>31 736</b>	<b>16 838</b>
<b>Total Taxes, Fees and Fines</b>	<b>1 741 206</b>	<b>1 179 588</b>

<sup>1</sup> These increases are mostly due to the full year impact of the transfer of the former Commerce and Works Directorate (CWD) to the Directorate following the Administrative Arrangements (AAs) of 7 July 2014, as the full year's revenue for General Rates and the Fire and Emergency Services Levy (collected with General Rates) are assessed and invoiced at the commencement of the financial year and are recorded as revenue when the assessment is raised.

<sup>2</sup> The 2014-15 figure has been revised down by \$9.408 million to reflect the removal of internal transactions associated with the payment of concessions and general rates.

<sup>3</sup> This increase is mainly due to the fixed charge component of land tax being indexed by 5 per cent.

<sup>4</sup> This increase mainly relates to an increase in the volume and value of residential and commercial properties sold during the year.

<sup>5</sup> This increase largely reflects growth in employment and wages, as well as the introduction of the Payroll Tax Harmonisation initiative from 1 January 2015, which resulted in increased receipts from employment agencies (additional information on the Payroll Tax Harmonisation initiative can be found at: <http://www.payrolltax.gov.au/harmonisation>).

<sup>6</sup> This increase reflects the trading conditions and profitability of the relevant Public Trading Entities.

<sup>7</sup> These increases result from the full year impact of the transfer of the Office of Regulatory Services (ORS) from the Justice and Community Safety Directorate (JACSD) to CMTEDD following the AAs of 15 December 2014.

<sup>8</sup> These increases are impacted by the full year impact of the transfer of the Regulatory Services function from the Environment and Planning Directorate (EPD) to the Directorate following the AAs of 15 December 2014.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 52. USER CHARGES - TERRITORIAL**

User charges revenue is derived by providing goods and services to other ACT Government agencies and to the public. User charges revenue is not part of Government appropriation and is paid by the users of the goods and services. This revenue is primarily parking fees and labels and is driven by consumer activity.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>User Charges - Non ACT Government</b>		
Parking Operations <sup>1</sup>	15 631	8 774
Proof of Age Cards <sup>1, 2</sup>	51	25
<b>Total User Charges</b>	<b>15 682</b>	<b>8 799</b>

<sup>1</sup> These increases are due to the full year impact of the transfer of the Office of Regulatory Services function to the Directorate from the Justice and Community Safety Directorate (JACSD) following the Administrative Arrangements (AAs) of 15 December 2014.

<sup>2</sup> This increase is also due to the full year impact of the transfer of Canberra Connect to the Directorate from the Territory and Municipal Services Directorate (TAMSD) following the AAs of 15 December 2014.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 53. GRANTS FROM COMMONWEALTH - TERRITORIAL**

The Directorate receives Commonwealth Grants on behalf of the Territory. This includes General Revenue Assistance (GRA), National Specific Purpose Payments (SPPs), National Reform Payments (NRPs), National Partnership Payments (NPPs) and grants specific to local government functions. Under Federal financial arrangements, CMTEDD receives the majority of the Commonwealth Grant funding on behalf of the Territory. All grant funding received is immediately transferred to the Territory Banking Account (TBA). Funds are then appropriated to ACT Government agencies, as required, for management of the related service output/s.

- *General Revenue Assistance:* includes GST and Municipal Services payments. GST payments represent the distribution of GST revenue collected by the Commonwealth Government and on-passed to State and Territory Governments without conditions attached. Municipal Services payments represent Commonwealth grants for assistance for water and sewage services and national capital influences, which compensate the Territory for a number of factors, such as 'rating disability', due to the number of national institutions in the ACT that cannot be taxed.
- *National Specific Purpose Payments and National Reform Payments:* are Commonwealth contributions to support the delivery of services in a particular sector. The original five SPPs under which the Commonwealth made payments to the States, including the ACT, were:
  - National Healthcare;
  - National Schools;
  - National Skills and Workforce Development;
  - National Affordable Housing; and
  - National Disability.

Major national reforms in recent years have seen the replacement of the National Healthcare SPP with National Health Reform funding (which is now received by the ACT Local Hospital Network rather than CMTEDD) and of the National Schools SPP with National Education Reform (now known as Students First) funding.

The amounts paid to the States for the remaining three original SPPs are determined by the Commonwealth Treasurer under the *Federal Financial Relations Act 2009*. The total funding pool and distribution of SPPs is based on a number of different factors including indexation and population estimates in accordance with the terms and conditions of an Intergovernmental Agreement. National Reform funding is directly related to the service provided, such as the number of school enrolments or the volume of health services provided each year in a particular State, with adjustments for factors such as disadvantaged students or cross-border patients.

- *National Partnership Payments:* are Commonwealth payments in respect of a National Partnership Agreement to support the delivery of specified projects, facilitate reforms, or reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.
- *Other Commonwealth Grants:* represent Financial Assistance Grants for Local Governments (FAGs), which are paid outside the federal funding framework, for on-passage to local governments. As the ACT Government also has responsibility for municipal functions, the FAGs are paid direct to the Territory to be spent according to the Territory's budget priorities.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 53. GRANTS FROM COMMONWEALTH - TERRITORIAL - CONTINUED**

	2016 \$'000	2015 \$'000
<b>General Revenue Assistance</b>		
GST Revenue Grant <sup>1</sup>	1 048 992	1 105 362
ACT Municipal Services	38 515	37 983
<b>Total General Revenue Assistance</b>	<b>1 087 507</b>	<b>1 143 345</b>
<b>National Specific Purpose Payments and National Reform Payments</b>		
Disability	23 668	22 857
Affordable Housing	21 769	21 417
Education Reform (Students First) - Government	81 333	76 441
Education Reform (Students First) - Non-Government	201 281	192 925
Skills and Workforce Development	23 929	23 539
<b>Total National Specific Purpose Payments and National Reform Payments</b>	<b>351 980</b>	<b>337 179</b>
<b>National Partnership Payments (NPPs)</b>		
Health <sup>2</sup>	6 528	13 992
Community Services <sup>3</sup>	11	3 700
Housing	1 520	1 527
Education (Government Schools) <sup>4</sup>	8 341	12 397
Education (Non-Government Schools) <sup>5</sup>	-	213
Skills and Workforce Development <sup>6</sup>	6 060	7 137
Infrastructure <sup>7</sup>	42 881	61 810
Environment <sup>8</sup>	4 599	6 388
Other <sup>9</sup>	12 076	10 243
<b>Total National Partnership Payments</b>	<b>82 016</b>	<b>117 407</b>
<b>Other Commonwealth Grants</b>		
Financial Assistance Grants for Local Government <sup>10</sup>	24 301	73 165
<b>Total Other Commonwealth Grants</b>	<b>24 301</b>	<b>73 165</b>
<b>Total Grants from the Commonwealth</b>	<b>1 545 804</b>	<b>1 671 095</b>

<sup>1</sup> This decrease is mainly due to the ACT's GST revenue sharing relativity falling from 1.236000 to 1.100012, resulting in the ACT's share of the total GST pool decreasing from 2% in 2014-15 to 1.8% in 2015-16.

<sup>2</sup> This decrease is mostly due to a \$5 million reduction in funding for Canberra Hospital Paediatric Emergency Care and a \$1.233 million reduction in funding for Essential Vaccines.

<sup>3</sup> This decrease largely results from the cessation of funding for Assistance Towards the Launch of the National Disability Insurance Scheme (NDIS) (\$3.7 million), partially offset by the receipt of funding for the Social and Community Services Pay Equity (SACS) supplementation – Perinatal Depression Initiative.

<sup>4</sup> This decrease is mainly due to a \$2.778 million reduction in funding for Trade Training Centres in Schools and a \$0.802 million reduction in funding for the Support for Students with Disabilities grant.

<sup>5</sup> There were no NPPs to non-Government schools in 2015-16, following the final payment for More Support for Students with Disabilities during 2014-15.

<sup>6</sup> This decrease is largely due to a \$1.015 million reduction in funding for Building Australia's Future Workforce – Skills Reform

<sup>7</sup> This decrease is mainly due to funding reductions of \$34.260 million for the Majura Parkway Project and \$3.990 million for the Infrastructure Growth Package – Asset Recycling Fund, partially offset by increased funding of \$8.475 million for Roads to Recovery, \$6 million for the Constitution Avenue Redevelopment, \$3.2 million for the National Highway Upgrade Programme, \$1.155 million for Black Spot Projects and \$0.492 million for the Bridges Renewal Programme.

<sup>8</sup> This decrease is mainly due to a \$1.131 million reduction in grant funding for Water for the Future and a \$0.652 million reduction in funding for Disaster Resilience.

# Chief Minister, Treasury and Economic Development Directorate

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 53. GRANTS FROM COMMONWEALTH - TERRITORIAL - CONTINUED

<sup>9</sup> This increase is largely due to increased funding of \$1.152 million for Legal Aid, \$0.4 million for the National Land Register and \$0.173 million for the Provision of Fire Services.

<sup>10</sup> The 2014-15 figure reflects the two quarterly payments initially due for payment in 2015-16 being paid in 2014-15.

#### NOTE 54. DIVIDEND REVENUE - TERRITORIAL

The Directorate collects dividends from several ACT Government agencies. The reported dividend revenue reflects dividends declared by those agencies. For further information regarding the dividends declared and/or performance of the agencies listed below, refer to the respective agency's 2015-16 Annual Financial Report.

	2016 \$'000	2015 \$'000
<b>General Government Sector Dividends</b>		
ACT Property Group (ACTPG), Chief Minister, Treasury and Economic Development Directorate <sup>1</sup>	3 334	11 746
Public Trustee for the ACT	179	355
<b>Total General Government Sector Dividends</b>	<b>3 513</b>	<b>12 101</b>
<b>Public Trading Enterprises Sector Dividends</b>		
ACN 071257504 Limited (formerly ACTTAB Limited) <sup>2</sup>	-	5 453
Icon Water Limited	80 039	93 915
Land Development Agency	173 258	78 115
<b>Total Public Trading Enterprises Sector Dividends</b>	<b>253 297</b>	<b>177 483</b>
<b>Total Dividend Revenue</b>	<b>256 810</b>	<b>189 584</b>

<sup>1</sup> This decrease largely results from a reduction in rental revenue received by ACTPG, including the impact of the transfer of the Magistrates Court part way through the year and rent free periods for some agencies, unexpected clean up costs associated with a fire at Parkwood Estate, and additional costs associated with properties transferred to ACTPG, partially offset by rental incentives received.

<sup>2</sup> This decrease reflects the sale of ACTTAB (now referred to as ACN 071257504) during 2014-15.

#### NOTE 55. LAND REVENUE - TERRITORIAL

The Directorate receives land revenue from the rental stream associated with the Land Rent Scheme (the Scheme), and the sale of land rent blocks to existing land rent lessees. The Scheme was introduced on 1 July 2008 as part of the ACT Government's Affordable Housing Action Plan. The Scheme provides the public with the option of renting blocks of residential land rather than purchasing the land outright. The Scheme involves CMTEDD purchasing land from the Land Development Agency (LDA) and then renting this land to households at a concessional rate applied to the land's unimproved value. Over the past few years there have been an increasing number of land rent block payouts, whereby the lessee converts the land rent lease to a normal crown lease by purchasing the land.

Land Revenue <sup>1</sup>	10 834	1 224
Sale of Land <sup>2</sup>	60 121	40 641
<b>Total Land Revenue</b>	<b>70 955</b>	<b>41 865</b>

<sup>1</sup> This increase reflects the full year impact of the transfer of the former Commerce and Works Directorate (CWD) to the Directorate following the Administrative Arrangements (AAs) of 7 July 2014 (the full year's land rent is recognised at the beginning of each year).

<sup>2</sup> This increase reflects a higher level of land rent block sales during 2015-16 compared to 2014-15.

# Chief Minister, Treasury and Economic Development Directorate

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 56. OTHER REVENUE - TERRITORIAL

Other revenue arises from the core activities of the Directorate. Other revenue is distinct from other gains, as other gains are not part of the core activities of the Directorate.

	2016 \$'000	2015 \$'000
Insurance Recoveries <sup>1</sup>	76	205
Other <sup>2</sup>	2 076	1 277
<b>Total Other Revenue</b>	<b>2 152</b>	<b>1 482</b>

<sup>1</sup> This decrease reflects the value of distributions received from asset liquidations associated with HIH Casualty and General Insurance Limited.

<sup>2</sup> This increase results from the full year impact of the transfer of Canberra Connect from the Territory and Municipal Services Directorate (TAMSD) and the Office of Regulatory Services from the Justice and Community Safety Directorate (JACSD) to CMTEDD following the Administrative Arrangements (AAs) of 15 December 2014.

#### NOTE 57. GAIN ON INVESTMENTS - TERRITORIAL

Gain on investments reflects the gain on the Territory's investment in the Canberra Business Development Fund (CBDF).

Gain on Financial Assets Measured at Fair Value through Profit and Loss <sup>1</sup>	-	38
<b>Total Gain on Investments</b>	<b>-</b>	<b>38</b>

<sup>1</sup> This decrease results from the Territory's investment in the CBDF incurring a loss in 2015-16 compared to a gain in 2014-15 (refer also Note 62, 'Other Expenses - Territorial').

#### NOTE 58. OTHER GAINS - TERRITORIAL

Other gains are transactions that are not part of the Directorate's core activities. Other gains are distinct from other revenue, as other revenue arises from the core activities of CMTEDD.

Gains from the Sale of Assets <sup>1</sup>	-	105 500
<b>Total Other Gains</b>	<b>-</b>	<b>105 500</b>

<sup>1</sup> The 2014-15 figure reflects gains arising from the sale of ACTTAB (also refer Note 54, 'Dividend Revenue - Territorial').

# Chief Minister, Treasury and Economic Development Directorate

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 30 June 2016

#### NOTE 59. SUPPLIES AND SERVICES - TERRITORIAL

The majority of the Directorate's territorial supplies and services relates to the payment to the Australian Taxation Office (ATO) by way of reimbursement for costs incurred by the ATO in collecting the Goods and Services Tax (GST) for the Territory.

The Directorate also incurs repairs and maintenance expenditure on the upkeep of sporting assets, such as tennis courts on long term leases to community organisations.

	2016 \$'000	2015 \$'000
GST Administration Cost paid to the ATO	11 048	11 161
Repairs and Maintenance	121	118
Other	496	138
<b>Total Supplies and Services</b>	<b>11 665</b>	<b>11 417</b>

#### NOTE 60. GRANTS AND PURCHASED SERVICES - TERRITORIAL

Grants are amounts provided by the Directorate to ACT Government agencies and non-ACT Government agencies for general assistance or for a particular purpose.

Grants may be for capital 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.

The Directorate's territorial grants primarily relate to the payment of First Home Owners' Grants (FHOG) and assistance given to the Racing Industry.

Purchased Services relate to a variety of Community Service Obligations (CSOs), which largely address utility expenses and a number of concession schemes covering mainly general rates rebates, transport and spectacle expenses.

First Home Owners Grant <sup>1</sup>	15 157	16 992
Grants and Purchased Services (Racing Industry) <sup>2</sup>	8 230	4 172
Community Service Obligations, Subsidies and Concessions <sup>3</sup>	38 438	39 512
<b>Total Grants and Purchased Services</b>	<b>61 825</b>	<b>60 676</b>

<sup>1</sup> This decrease reflects both the level of activity of first home buyers in the residential market and the reduction in FHOG entitlements from \$12,500 to \$10,000 from 1 January 2016.

<sup>2</sup> This increase reflects the full year impact of the transfer of the former Economic Development Directorate (EDD) to CMTEDD following the Administrative Arrangements (AAs) of 7 July 2014 (prior to the transfer of EDD, roughly half of the annual grant payment to the racing industry had been paid).

<sup>3</sup> The 2014-15 figure has been revised down by \$9.408 million to reflect the removal of internal transactions associated with the payment of concessions and general rates.

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**NOTE 61. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS - TERRITORIAL**

Under Section 131 of the *Financial Management Act 1996* (FMA) the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. There are also a number of Legislative provisions, including *Court Procedure Act 2004*, Section 15(2)(b), and *Road Transport (General) Act 1999*, Part 3, Section 31G, that allow the Courts and the Office of Regulatory Services (ORS) to make decisions to waive payment of debt owing to the Directorate on behalf of the Territory from third parties.

A waiver is the relinquishment of a legal claim to a debt over which the Territory Controls. The write-off of a debt is the accounting action taken to remove a debt from the financial accounts, but does not relinquish the legal right of the Territory to recover the amount. The write-off of debts may occur for reasons other than waivers.

The waivers and impairment losses listed below have occurred during the reporting period for activities on behalf of the Territory. There were no write-offs for the reporting period.

	<b>No. of Items</b>	<b>2016 \$'000</b>	<b>No. of Items</b>	<b>2015 \$'000</b>
<b>Waivers</b>				
Payroll Tax Waivers	5	2 164	4	1 848
Other <sup>1</sup>	37	60	50	1 364
<b>Total Waivers</b>	<b>42</b>	<b>2 224</b>	<b>54</b>	<b>3 212</b>
<b>Impairment Losses</b>				
Impairment Loss on Surrendered Land Rent Block	-	-	1	14
Impairment Losses from Receivables <sup>2</sup>	9 937	4 280	9 997	2 148
<b>Total Impairment Losses</b>	<b>9 937</b>	<b>4 280</b>	<b>9 998</b>	<b>2 162</b>
<b>Total Waivers and Impairment Losses</b>	<b>9 979</b>	<b>6 504</b>	<b>10 052</b>	<b>5 374</b>

<sup>1</sup> The decrease mainly reflects a lower value of waivers for general rates and land tax waivers during 2015-16.

<sup>2</sup> The large number of impairment losses relate to aged parking and traffic infringements that are not expected to be collected.

**NOTE 62. OTHER EXPENSES - TERRITORIAL**

Loss on investments reflects the loss on the Territory's investment in the Canberra Business Development Fund (CBDF).

	<b>2016 \$'000</b>	<b>2015 \$'000</b>
Act of Grace Payments (refer Note 65, 'Act of Grace Payments - Territorial')	15	17
Loss on Financial Assets Measured at Fair Value through Profit and Loss <sup>1</sup>	501	-
Other <sup>2</sup>	1 708	35
<b>Total Other Expenses</b>	<b>2 224</b>	<b>51</b>

<sup>1</sup> This increase results from the Territory's investment in the CBDF incurring a loss in 2015-16 compared to a gain in 2014-15 (refer also Note 56, 'Other Revenue - Territorial').

<sup>2</sup> This increase is largely due to a one-off correction to prior year GST payments relating to the Land Rent Scheme. In prior years, GST was collected with land rent receipts but not remitted to the Australian Taxation Office (ATO). This expense records the GST amount remitted to the ATO during 2015-16 relating to prior years.

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 63. COST OF LAND SOLD - TERRITORIAL**

The Directorate's cost of land sold largely relate to land sales associated with the Land Rent Scheme.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of Land Sold <sup>1</sup>	60 210	38 394
<b>Total Cost of Land Sold</b>	<b>60 210</b>	<b>38 394</b>

<sup>1</sup> This increase reflects a higher level of land rent block sales during 2015-16 compared to 2014-15.

**NOTE 64. TRANSFER TO GOVERNMENT - TERRITORIAL**

Transfer to Government represents the transfer of money, which CMTEDD has collected on behalf of the Territory, to Government. The money collected by the Directorate on behalf of the Territory includes Commonwealth Government grants (net of costs associated with administering GST collection), dividend revenue, land revenue, taxes, fees and fines, and other revenue.

Payments to the Territory Banking Account <sup>1</sup>	3 566 964	3 152 085
<b>Total Transfer to Government</b>	<b>3 566 964</b>	<b>3 152 085</b>

<sup>1</sup> This increase largely reflects the full year impact of the transfer of the former Commerce and Works Directorate (CWD) to CMTEDD following the Administrative Arrangements (AAs) of 7 July 2014 and the establishment of Access Canberra following the AAs of 15 December 2014.

**NOTE 65. ACT OF GRACE PAYMENTS - TERRITORIAL**

Under Section 130 of the *Financial Management Act 1996* (FMA) the Treasurer may, in writing, authorise Act of Grace Payments to be made by the Territory.

Act of Grace payments are a method of providing equitable remedies to entities or individuals that may have been unfairly disadvantaged by the Government but have no legal claim to the payment. Territorial Act of Grace payments are generally made to provide relief from residential conveyance duty.

The following Act of Grace Payments were made during the reporting period pursuant to Section 130 of the FMA.

Payment relating to a Claim for Conveyance Duty Relief (refer Note 62, 'Other Expenses - Territorial')	15	17
<b>Total Act of Grace Payments</b>	<b>15</b>	<b>17</b>

**NOTE 66. CASH AND CASH EQUIVALENTS - TERRITORIAL**

The Directorate holds a number of bank accounts with the Westpac Bank as part of the whole of government banking arrangements. Under these arrangements, the Directorate does not earn interest on the balances of its territorial bank accounts. The Directorate's territorial bank accounts generally do not hold cash balances for long periods of time. The end of year balances usually reflect either appropriation drawn down prior to the end of the financial year for payments that are required within the first few weeks of the new financial year.

Cash at Bank	5 651	9 734
<b>Total Cash and Cash Equivalents</b>	<b>5 651</b>	<b>9 734</b>

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**NOTE 67. RECEIVABLES - TERRITORIAL**

The Directorate collects dividends from several ACT Government agencies. Where part of the dividend declared is not paid in the year of declaration, the Directorate records a receivable equal to the amount to be paid the following year. For further information regarding the dividends declared and/or performance of the agencies listed below, refer to the respective agency's 2015-16 Annual Financial Report.

The Directorate also collects the majority of the Territory's taxes, fees and fines revenue. Where the amount due has not been collected by the end of the financial year, the Directorate records a receivable for the amount owing.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Receivables</b>		
Trade Receivables	8 014	9 041
Less: Allowance for Impairment Losses	(2 277)	(2 127)
<b>Total Trade Receivables</b>	<b>5 737</b>	<b>6 914</b>
 Fees and Fines	 6 744	 6 634
Less: Allowance for Impairment Losses	(1 561)	(1 361)
<b>Total Fees and Fines</b>	<b>5 183</b>	<b>5 273</b>
 <b>Secured Receivables</b>		
General Rates <sup>1</sup>	44 920	37 041
Land Tax	17 598	16 055
Levies	5 155	4 289
Land Rent	5 996	3 968
<b>Total Secured Receivables</b>	<b>73 669</b>	<b>61 353</b>
 <b>Unsecured Receivables</b>		
Duties <sup>2</sup>	48 084	38 149
Less: Allowance for Impairment Losses	(50)	(38)
<b>Total Unsecured Receivables</b>	<b>48 034</b>	<b>38 111</b>
 <b>Payroll Tax <sup>3</sup></b>	 12 513	 9 373
Less: Allowance for Impairment Losses	(4 188)	(3 760)
<b>Total Payroll Tax</b>	<b>8 325</b>	<b>5 613</b>
 Other	 401	 432
<b>Total Other Receivables</b>	<b>401</b>	<b>432</b>
 <b>Total Trade Receivables, Fees and Fines</b>	 <b>141 349</b>	 <b>117 696</b>

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**NOTE 67. RECEIVABLES - TERRITORIAL - CONTINUED**

	2016 \$'000	2015 \$'000
<b>Dividend Receivables by Agency</b>		
<i>General Government Sector Dividend Receivables</i>		
Public Trustee for the ACT	179	354
<b>Total General Government Sector Dividend Receivables</b>	<b>179</b>	<b>354</b>
<i>Public Trading Enterprises Sector Dividend Receivables</i>		
Icon Water Limited	19 661	23 808
Land Development Agency	98 258	48 116
<b>Total Public Trading Enterprises Sector Dividend Receivables</b>	<b>117 919</b>	<b>71 924</b>
<b>Total Dividend Receivables <sup>4</sup></b>	<b>118 098</b>	<b>72 278</b>
<b>Accrued Revenue</b>		
Payroll Tax <sup>3,4</sup>	34 090	28 494
Duties	3 613	4 351
Income Tax Equivalents <sup>4</sup>	65 470	19 672
Other Accrued Revenue	6 124	10 264
<b>Total Accrued Revenue</b>	<b>109 297</b>	<b>62 781</b>
<b>Total Current Receivables</b>	<b>368 745</b>	<b>252 755</b>
<b>Total Receivables</b>	<b>368 745</b>	<b>252 755</b>

Ageing of Receivables	Not Overdue \$'000	Overdue			Total \$'000
		Less than 30 Days \$'000	30 to 60 Days \$'000	Greater than 60 Days \$'000	
<b>2016</b>					
<b>Not Impaired <sup>a</sup></b>					
Receivables <sup>5</sup>	291 980	9 919	8 406	58 440	<b>368 745</b>
<b>Impaired</b>					
Receivables	3 015	857	578	3 626	<b>8 076</b>
<b>2015</b>					
<b>Not Impaired <sup>a</sup></b>					
Receivables <sup>5</sup>	198 545	5 032	5 045	44 133	<b>252 755</b>
<b>Impaired</b>					
Receivables	2 734	707	457	3 389	<b>7 287</b>

<sup>a</sup> 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables).

<sup>1</sup> This increase is largely due to increases in general rates resulting from revenue replacement measures implemented as a result of tax reform.

<sup>2</sup> This increase is mainly due to additional home buyers accessing the deferred residential conveyance duty scheme.

<sup>3</sup> These increases reflect growth in employment and wages, as well as the introduction of the Payroll Tax Harmonisation Initiative from 1 January 2015, which has resulted in increased receivables from employment agencies (additional information on the Payroll Tax Harmonisation initiative can be found at: <http://www.payrolltax.gov.au/harmonisation>).

<sup>4</sup> These increases largely reflect the operating performance and/or activities of the ACT Government dividend payment agencies (which also pay payroll tax and income tax equivalents). For further information regarding the performance and/or activities of these agencies, refer to the respective agency's 2015-16 Annual Financial Report (refer also Note 54, 'Dividend Revenue - Territorial', for a list of those agencies).

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**NOTE 67. RECEIVABLES - TERRITORIAL - CONTINUED**

<sup>5</sup> The receivables of greater than 60 days largely reflect overdue general rates, payroll tax, parking and traffic infringements.

	2016 \$'000	2015 \$'000
<b>Reconciliation of the Allowance for Impairment Losses</b>		
<b>Allowance for Impairment Losses at the Beginning of the Reporting Period</b>	<b>7 287</b>	-
Allowance for Impairment Losses Transferred in due to Administrative Restructuring	-	6 162
Additional Allowance Recognised During the Reporting Period	1 277	1 972
Reduction in Allowance from Amount Written Back against Receivables	(488)	(847)
<b>Allowance for Impairment Losses at the End of the Reporting Period</b>	<b>8 076</b>	<b>7 287</b>
<b>Classification of ACT Government/Non-ACT Government Receivables</b>		
<b>Receivables with ACT Government Entities</b>		
Net Trade Receivables, Fees and Fines	7 626	8 643
Dividend Receivables	118 097	72 279
Accrued Revenue	12 882	16 654
<b>Total Receivables with ACT Government Entities</b>	<b>138 605</b>	<b>97 576</b>
<b>Receivables with Non-ACT Government Entities</b>		
Net Trade Receivables, Fees and Fines	133 724	109 053
Accrued Revenue	96 416	46 126
<b>Total Receivables with Non-ACT Government Entities</b>	<b>230 140</b>	<b>155 179</b>
<b>Total Receivables</b>	<b>368 745</b>	<b>252 755</b>

**NOTE 68. INVENTORIES - TERRITORIAL**

Territorial Inventories consist of land rent blocks where they are either the subject of a sale application or lease surrender. The reported values relate to 2 blocks as at 30 June 2016 (3 blocks as at 30 June 2015).

Purchased Land at Fair Value	438	657
<b>Total Current Inventories</b>	<b>438</b>	<b>657</b>
<b>Total Inventories</b>	<b>438</b>	<b>657</b>

**NOTE 69. OTHER ASSETS - TERRITORIAL**

Territorial Other Assets consist of a prepayment relating to fees paid annually in advance to the Commonwealth Government National Heavy Vehicle Regulator.

<b>Current Other Assets</b>		
Prepayments	400	358
<b>Total Current Other Assets</b>	<b>400</b>	<b>358</b>
<b>Total Other Assets</b>	<b>400</b>	<b>358</b>

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**NOTE 70. INVESTMENTS - TERRITORIAL**

The Territory holds an equal (50%/50%) investment with Australian Capital Ventures Limited (ACVL) in the Canberra Business Development Fund (CBDF). The CBDF is a unit trust whose principal activity is to invest in the equity of early stage businesses carrying out activities providing potential benefits to the Canberra region (refer also Note 57, 'Gain on Investments - Territorial', and Note 62, 'Other Expenses - Territorial').

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment in the Canberra Business Development Fund <sup>1</sup>	1 182	1 683
<b>Total Investments</b>	<b>1 182</b>	<b>1 683</b>

<sup>1</sup> This decrease is due to a loss on the value of Investments during the year.

**NOTE 71. PROPERTY, PLANT AND EQUIPMENT - TERRITORIAL**

Property includes land. Property does not include assets held for sale or investment properties.

Land includes leasehold land held by CMTEDD on behalf of the Territory for the Land Rent Scheme (the Scheme), which commenced on 1 July 2008. The Scheme is part of the ACT Government's Affordable Housing Action Plan and it provides the public with the option of renting blocks of residential land rather than purchasing the land outright. CMTEDD purchases the land from the Land Development Agency (LDA). As at 30 June 2016, CMTEDD held 1,340 land blocks (1,260 blocks as at 30 June 2015) rented under the Scheme.

**Land**

Land at Fair Value	397 395	380 935
<b>Total Land Assets</b>	<b>397 395</b>	<b>380 935</b>
<b>Total Written Down Value of Property, Plant and Equipment</b>	<b>397 395</b>	<b>380 935</b>

**Valuation of Property, Plant and Equipment**

The Australian Valuation Office has performed revaluations on CMTEDD's land rent assets. The latest valuation of land assets was performed as at 1 January 2016. The purchase price of all blocks purchased after 1 January 2016 is a proxy for fair value.

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2015-16.

<b>Carrying Amount of Land Assets at the Beginning of the Reporting Period</b>	<b>380 935</b>	<b>-</b>
Additions from an Administrative Restructure <sup>1</sup>	-	352 271
Additions	68 001	60 776
Assets Reclassified as Inventories <sup>a</sup>	(60 210)	(45 302)
Revaluation Increment	8 669	13 190
<b>Carrying Amount of Land Assets at the End of the Reporting Period</b>	<b>397 395</b>	<b>380 935</b>

<sup>a</sup> Land Rent blocks are reclassified as inventory when they become subject of either an application for sale or lease surrender.

<sup>1</sup> The 2014-15 increase results from the transfer of Land Rent block from the former Commerce and Works Directorate (CWD) to CMTEDD following the Administrative Arrangements (AAs) of 7 July 2014.

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**NOTE 71. PROPERTY, PLANT AND EQUIPMENT - TERRITORIAL - CONTINUED**

**Fair Value Hierarchy**

The Directorate is required to classify property, plant and equipment into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. Refer to Note 2(a), 'Significant Accounting Policies: Basis of Preparation', for more information.

Details of the Directorate's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June 2016 and 30 June 2015 are as follows:

2016	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Property, Plant and Equipment at Fair Value</b>				
Land	-	397 395	-	<b>397 395</b>
	-	<b>397 395</b>	-	<b>397 395</b>

2015	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Property, Plant and Equipment at Fair Value</b>				
Land	-	380 935	-	<b>380 935</b>
	-	<b>380 935</b>	-	<b>380 935</b>

**Transfers between Categories**

There have been no transfers between Levels 1, 2 and 3 during either the 2014-15 or 2015-16 reporting periods.

**Valuation Techniques, Inputs and processes**

**Level 2 Valuation Techniques and Inputs**

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

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

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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**NOTE 72. PAYABLES - TERRITORIAL**

The Directorate collects dividends from several ACT Government agencies, as well as the majority of the Territory's taxes, fees and fines revenue. Where part of a declared dividend is not paid in the year of declaration, or an amount of taxes, fees or fines revenue has not been collected by the end of the financial year, the Directorate records a receivable equal to the amount to be paid the following year. Whenever the Directorate is required to record a receivable, an equivalent payable to the Territory Banking Account (TBA) is also recorded, as all Territorial revenue received must be forwarded to the TBA immediately after receipt.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Payables</b>		
Trade Payables	235	267
Accrued Expenses	13 138	7 164
Payable to the Territory Banking Account (TBA) (including accruals) <sup>1</sup>	368 745	257 510
Net Goods and Services Tax Payable to the Australian Taxation Office	154	220
<b>Total Current Payables</b>	<b>382 272</b>	<b>265 161</b>
<b>Total Payables</b>	<b>382 272</b>	<b>265 161</b>
<b>Payables are Aged as Follows:</b>		
Not Overdue	382 272	265 161
Overdue for Less than 30 Days	-	-
Overdue for 30 to 60 Days	-	-
Overdue for More than 60 Days	-	-
<b>Total Payables</b>	<b>382 272</b>	<b>265 161</b>
<b>Classification of ACT Government/Non-ACT Government Payables</b>		
<b>Payables with ACT Government Entities</b>		
Accrued Expenses	7 582	9 585
Payable to TBA (including accruals) <sup>1</sup>	368 745	252 395
<b>Total Payables with ACT Government Entities</b>	<b>376 327</b>	<b>261 980</b>
<b>Payables with Non-ACT Government Entities</b>		
Trade Payables	235	267
Accrued Expenses	5 556	2 694
Net Goods and Services Tax Payable to the Australian Taxation Office	154	220
<b>Total Payables with Non-ACT Government Entities</b>	<b>5 945</b>	<b>3 181</b>
<b>Total Payables</b>	<b>382 272</b>	<b>265 161</b>

<sup>1</sup> This increase largely results from increases in receivables, as all funds expected to be received are on-passed to the TBA.

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**NOTE 73. OTHER PROVISIONS - TERRITORIAL**

**Provision for the Refund of Tax**

The Directorate receives taxes from ACT Government, non-ACT Government entities and individuals. In some circumstances, taxes are overpaid by taxpayers. When this occurs, a provision is taken up to account for refunding these payments.

	2016 \$'000	2015 \$'000
<b>Current Other Provisions</b>		
Provision for the Refund of Tax <sup>1</sup>	1 936	866
<b>Total Current Other Provisions</b>	<b>1 936</b>	<b>866</b>
<b>Total Other Provisions</b>	<b>1 936</b>	<b>866</b>

**Reconciliation of the Provision for the Refund of Tax**

<b>Provision from the Refund of Tax at the Beginning of the Reporting Period</b>	<b>866</b>	<b>-</b>
Provision Transferred in from the former Commerce and Works Directorate (CWD) as part of an Administrative Restructure	-	616
Additional Provision Recognised <sup>1,2</sup>	1 168	505
Reduction in the Provision as a result of Payments <sup>2</sup>	(98)	(255)
<b>Provision for the Refund of Tax at the End of the Reporting Period</b>	<b>1 936</b>	<b>866</b>

<sup>1</sup> The additional provision recognised in 2015-16 mainly relates to expected Payroll Tax refunds.

<sup>2</sup> The 2014-15 figures have been amended to remove the impact of incorrectly recording the monthly accrual and reversal of the provision's balance at the end of each month as additions and reductions in the provision.

**NOTE 74. OTHER LIABILITIES - TERRITORIAL**

The Directorate's other liabilities largely consist of revenue collected from taxpayers that have not yet been allocated to a revenue type (revenue clearing account), and revenue received in advance for liquor and motor vehicle dealer licences.

**Current Other Liabilities**

Revenue Received in Advance	1 611	1 243
<b>Total Current Other Liabilities</b>	<b>1 611</b>	<b>1 243</b>
<b>Total Other Liabilities</b> <sup>1</sup>	<b>1 611</b>	<b>1 243</b>

<sup>1</sup> This increase is due to a higher volume of revenue receipts associated with stamp duties and taxes pending assessment towards the end of 2015-16 compared to 2014-15. Once these receipts have been processed, the relevant revenue will be recognised.

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**NOTE 75. ASSET REVALUATION SURPLUS - TERRITORIAL**

The Asset Revaluation Surplus is used to record the increments and decrements in the value of Property, Plant and Equipment.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at the Beginning of the Reporting Period</b>	<b>14 829</b>	<b>-</b>
Transfer in from the former Commerce and Works Directorate (CWD) <sup>1</sup>	-	1 639
Increment/(Decrement) in Land due to Revaluation <sup>2</sup>	8 669	13 190
<b>Total Increment/(Decrement) in the Asset Revaluation Surplus</b>	<b>8 669</b>	<b>14 829</b>
<b>Balance at the End of the Reporting Period</b>	<b>23 499</b>	<b>14 829</b>

<sup>1</sup> The transfer into the Directorate from the former CWD reflects the Administrative Arrangements (AAs) of 7 July 2014.

<sup>2</sup> These increases reflect the annual revaluation of land rent blocks.

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**NOTE 76. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - TERRITORIAL**

**Restructure of Administrative Arrangements during 2015-16**

On 22 January 2016, *Administrative Arrangements 2016 (No 1)* (Notifiable Instrument NI2016-41) came into effect. This Instrument transferred Vocational Education and Training (VET) from the then Education and Training Directorate (ETD) to CMTEDD.

**Income and Expenses**

The following table shows the income and expense items associated with the transfers of functions from ETD to CMTEDD for the year ended 30 June 2016. The table shows the income and expenses relating to the function for the time when it belonged to ETD, for the time when it belonged to CMTEDD, and the total income and expense for the year.

	Amounts Relating to when Vocational Education and Training was held by		Total 2016 \$'000
	ETD from 1 July 2015 to 22 January 2016 \$'000	CMTEDD from 22 January 2016 to 30 June 2016 \$'000	
<b>Revenue</b>			
Payment for Expenses on Behalf of the Territory	5	4	9
<b>Total Revenue</b>	<b>5</b>	<b>4</b>	<b>9</b>
<b>Expenses</b>			
Grants and Purchased Services	5	4	9
<b>Total Expenses</b>	<b>5</b>	<b>4</b>	<b>9</b>

**Assets and Liabilities**

The assets and liabilities transferred with VET from the then ETD to CMTEDD during 2015-16 associated with the AAs of 22 January 2016 are detailed in the table below.

	Amounts Transferred on 22 January 2016 from ETD 2015-16 \$'000	Total Amounts Transferred 2015-16 \$'000
<b>Liabilities</b>		
Payables	2	2
<b>Total Liabilities Transferred</b>	<b>2</b>	<b>2</b>
<b>Net Assets/(Liabilities) Transferred</b>	<b>(2)</b>	<b>(2)</b>

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**NOTE 76. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - TERRITORIAL -  
CONTINUED**

**Restructure of Administrative Arrangements during 2014-15**

On 7 July 2014, *Administrative Arrangements 2014 (No 1)* (Notifiable Instrument NI2014-310) came into effect. This Instrument changed the Directorate's name from the Chief Minister and Treasury Directorate (CMTD) to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). In addition, all territorial functions of the Economic Development Directorate (EDD) and Commerce and Works Directorate (CWD) were transferred to CMTEDD.

**Income and Expenses**

The following tables show the territorial income and expense items associated with the transfers of all territorial functions from EDD and CWD to CMTEDD for the year ended 30 June 2015. Each table shows the territorial income and expenses relating to those functions for the time when they belonged to their former directorate, for the time when they belonged to CMTEDD, and the total income and expense for the year.

	Amounts Relating to when the Economic Development Directorate was held by		
	EDD from 1 July 2014 to 6 July 2014 \$'000	CMTEDD from 7 July 2014 to 30 June 2015 \$'000	Total 2015 \$'000
<b>Income</b>			
<b>Revenue</b>			
Payment for Expenses on Behalf of the Territory	3 850	4 290	8 140
<b>Total Revenue</b>	<b>3 850</b>	<b>4 290</b>	<b>8 140</b>
<b>Gains</b>			
Other Gains	-	77	77
<b>Total Gains</b>	<b>-</b>	<b>77</b>	<b>77</b>
<b>Total Income</b>	<b>3 850</b>	<b>4 367</b>	<b>8 217</b>
<b>Expenses</b>			
Supplies and Services	-	118	118
Grants and Purchased Services	3 850	4 172	8 022
<b>Total Expenses</b>	<b>3 850</b>	<b>4 290</b>	<b>8 140</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 76. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - TERRITORIAL -  
CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Income and Expenses - Continued**

	Amounts Relating to when the Commerce and Works Directorate was held by		
	CWD from 1 July 2014 to 6 July 2014 \$'000	CMTEDD from 7 July 2014 to 30 June 2015 \$'000	Total 2015 \$'000
<b>Income</b>			
<b>Revenue</b>			
Payment for Expenses on Behalf of the Territory	272	63 914	64 186
Taxes, Fees and Fines	220 028	1 051 478	1 271 506
Land Revenue	10 394	1 224	11 618
Other Revenue	596	3 308	3 904
<b>Total Revenue</b>	<b>231 290</b>	<b>1 119 924</b>	<b>1 351 214</b>
<b>Gains</b>			
Other Gains	-	37 241	37 241
<b>Total Gains</b>	<b>-</b>	<b>37 241</b>	<b>37 241</b>
<b>Total Income</b>	<b>231 290</b>	<b>1 157 165</b>	<b>1 388 455</b>
<b>Expenses</b>			
Supplies and Services	-	5	5
Grants	301	65 911	66 212
Transfer to Government	230 403	1 052 413	1 282 816
Other Expenses	586	54 665	55 252
<b>Total Expenses</b>	<b>231 290</b>	<b>1 172 994</b>	<b>1 404 285</b>

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**NOTE 76. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - TERRITORIAL -  
CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Assets and Liabilities**

The territorial assets and liabilities transferred from EDD and CWD to CMTEDD during 2014-15 associated with the Administrative Arrangements (AAs) of 7 July 2014 are detailed in the table below. The total territorial assets and liabilities transferred as part of the AAs of 7 July 2014 are also shown in the table.

	<b>Amounts Transferred on 7 July 2014 from</b>		<b>Total</b>
	<b>EDD</b>	<b>CWD</b>	<b>Amounts</b>
	<b>2014-15</b>	<b>2014-15</b>	<b>Transferred</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>2014-15</b>
			<b>\$'000</b>
<b>Assets</b>			
Cash and Cash Equivalents	-	37 299	<b>37 299</b>
Current and Non-Current Receivables	-	347 649	<b>347 649</b>
Inventories	-	3 636	<b>3 636</b>
Investments	1 641	-	<b>1 641</b>
Property, Plant and Equipment	-	352 271	<b>352 271</b>
<b>Total Assets Transferred</b>	<b>1 641</b>	<b>740 855</b>	<b>742 496</b>
<b>Liabilities</b>			
Payables	-	362 152	<b>362 152</b>
Current Other Liabilities	-	2 145	<b>2 145</b>
Current and Non-Current Other Provisions	-	616	<b>616</b>
<b>Total Liabilities Transferred</b>	<b>-</b>	<b>364 913</b>	<b>364 913</b>
<b>Net Assets/(Liabilities) Transferred</b>	<b>1 641</b>	<b>375 942</b>	<b>377 583</b>

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**NOTE 76. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - TERRITORIAL -  
CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

On 15 December 2014, *Administrative Arrangements 2014 (No 2)* (Notifiable Instrument NI2014-654) came into effect. This Instrument transferred territorial functions from the Justice and Community Safety Directorate (JACSD) and the Environment and Planning Directorate (EPD) to enable the establishment of Access Canberra. The Office of Regulatory Services was transferred from JACSD and the Regulatory Services function was transferred from EPD.

**Income and Expenses**

The following tables show the territorial income and expense items associated with the transfer of functions from JACSD and EPD to CMTEDD for the year ended 30 June 2015. Each table shows the territorial income and expenses relating to those functions for the time when they belonged to their former directorate, for the time when they belonged to CMTEDD, and the total territorial income and expense for the year.

	Amounts Relating to when the Office of Regulatory Services was held by		Total 2015 \$'000
	JACSD from 1 July 2014 to 14 December 2014 \$'000	CMTEDD from 15 December 2014 to 30 June 2015 \$'000	
<b>Income</b>			
<b>Revenue</b>			
Payment for Expenses on Behalf of the Territory	144	113	257
Taxes, Fees and Fines	83 954	105 259	189 213
User Charges - Non-ACT Government	6 647	25	6 672
Other Revenue	679	1 277	1 956
<b>Total Revenue</b>	<b>91 424</b>	<b>106 674</b>	<b>198 098</b>
<b>Gains</b>			
Other Gains	-	39	39
<b>Total Gains</b>	<b>-</b>	<b>39</b>	<b>39</b>
<b>Total Income</b>	<b>91 424</b>	<b>106 713</b>	<b>198 137</b>
<b>Expenses</b>			
Supplies and Services	177	37	214
Grants and Purchased Services	-	97	97
Other Expenses	-	2 847	2 847
Transfer to Government	91 280	103 693	194 973
<b>Total Expenses</b>	<b>91 457</b>	<b>106 674</b>	<b>198 131</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 76. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - TERRITORIAL -  
CONTINUED**

Restructure of Administrative Arrangements during 2014-15 - Continued

Income and Expenses - Continued

	Amounts Relating to when the Regulatory Services Function was held by		Total 2015 \$'000
	EPD from 1 July 2014 to 14 December 2014 \$'000	CMTEDD from 15 December 2014 to 30 June 2015 \$'000	
<b>Income</b>			
<b>Revenue</b>			
Taxes, Fees and Fines	18 323	24 206	42 529
<b>Total Revenue</b>	<b>18 323</b>	<b>24 206</b>	<b>42 529</b>
<b>Gains</b>			
Other Gains	-	39	39
<b>Total Gains</b>	<b>-</b>	<b>39</b>	<b>39</b>
<b>Total Income</b>	<b>18 323</b>	<b>24 245</b>	<b>42 568</b>
<b>Expenses</b>			
Transfer to Government	18 323	24 206	42 529
<b>Total Expenses</b>	<b>18 323</b>	<b>24 206</b>	<b>42 529</b>

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**NOTE 76. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - TERRITORIAL -  
CONTINUED**

**Restructure of Administrative Arrangements during 2014-15 - Continued**

**Assets and Liabilities**

The territorial assets and liabilities transferred from JACSD and EPD to CMTEDD during 2014-15 associated with the Administrative Arrangements (AAs) of 15 December 2014 are detailed in the table below. The total assets and liabilities transferred as part of the AAs of 15 December 2014 are also shown in the table.

	<b>Amounts Transferred on 15 December 2014 from</b>		
	<b>JACSD for the Office of Regulatory Services 2014-15 \$'000</b>	<b>EPD for Regulatory Services 2014-15 \$'000</b>	<b>Total Amounts Transferred 2014-15 \$'000</b>
<b>Assets</b>			
Current and Non-Current Receivables	10 959	-	10 959
Current and Non-Current Other Assets	358	-	358
<b>Total Assets Transferred</b>	<b>11 317</b>	<b>-</b>	<b>11 317</b>
<b>Liabilities</b>			
Payables	11 317	-	11 317
<b>Total Liabilities Transferred</b>	<b>11 317</b>	<b>-</b>	<b>11 317</b>
<b>Net Assets/(Liabilities) Transferred</b>	<b>-</b>	<b>-</b>	<b>-</b>
			<b>Total Amounts Transferred 2014-15 \$'000</b>
<b>Total Impact of Administrative Arrangement Transfers during 2014-15</b>			
Total Net Assets Transferred to CMTEDD due to the AAs of 7 July 2014			377 583
Total Net Assets Transferred to CMTEDD due to the AAs of 15 December 2014			-
<b>Total Net Assets Transferred to CMTEDD during 2014-15 by Administrative Arrangements</b>			<b>377 583</b>

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 77. FINANCIAL INSTRUMENTS - TERRITORIAL**

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2, 'Significant Accounting Policies'.

**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 Directorate currently has all of its financial assets and financial liabilities held in non-interest bearing arrangements. This means that the Directorate 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 Directorate 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 Directorate's credit risk is limited to the amount of the financial assets held less any allowance for impairment losses. The Directorate expects to collect all financial assets that are not past due or impaired.

Cash and cash equivalents are held with the Westpac Banking Corporation, in accordance with the whole of government banking arrangements. These arrangements minimise risk by ensuring that cash is held with high quality financial institutions under whole of government banking arrangements.

With regard to taxes, fees and fines receivables, CMTEDD has no choice in providing credit. If the debtor does not pay, the Territory (through the Directorate) has a number of options under the *Taxation Administration Act 1999* (TAA), including: recovery by court action, power to make a payment arrangement, and garnishee. In the case of unpaid rates, land tax, and land rent, the Directorate has the further option of selling the property in order to meet outstanding rate debts.

The Directorate manages the credit risk for receivables by regularly monitoring its receivables and issuing monthly statements to overdue accounts where required. Other than dividends receivable, there is no significant concentration of credit risk that has been identified in this analysis.

**Liquidity Risk**

Liquidity risk is the risk that the Directorate will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Directorate's territorial function has no exposure to liquidity risk, as most of the Directorate's territorial financial liabilities represent payment of the Directorate's territorial financial assets to the Territory Banking Account (TBA), which comprise grants expected to be received from the Commonwealth, dividends expected to be received from ACT Government agencies, and taxes, fees and fines collected on behalf of the Territory.

The Directorate's territorial function has negligible exposure to liquidity risk, given that it involves the collection of revenue on behalf of the Territory and immediate on-passage of that revenue to the TBA.

**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 (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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**NOTE 77. FINANCIAL INSTRUMENTS - TERRITORIAL - CONTINUED**

**Price Risk - Continued**

The Directorate's territorial operations are exposed to price risk through its investment in the Canberra Business Development Fund (CBDF). The CBDF invest in early stage companies that are commercialising research and development. As a result, there is an inherent risk that the investments will not realise any returns for the Fund. The Fund manages this risk, as comprehensively as possible, by engaging Australian Capital Ventures Limited to select and oversee the investments of the Fund.

**Sensitivity Analysis**

The Territory, through CMTEDD, is a 50% unit holder in the CBDF. The following sensitivity analysis is based on the fair value of the Territory's investment in the CBDF. The sensitivity analysis relates to the Territory's exposure to price/market risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and the investment attributable to the Territory, which could result from a change in these risks. The Directorate has determined that a movement of + or - 20% is reasonably foreseeable.

<b>Price/Market Risk Sensitivity Analysis</b>	<b>Actual 2016 \$'000</b>	<b>Actual 2015 \$'000</b>
Change in profit		
- increase in fair value of investment by 20%	236	337
- decrease in fair value of investment by 20%	(236)	(337)
Change in net assets attributable to the Territory		
- increase in fair value of investment by 20%	236	337
- decrease in fair value of investment by 20%	(236)	(337)

**Fair Value Hierarchy**

The Territory's financial instruments that are measured and recognised at fair value consist of investments in the CBDF.

	<b>Classification According to the Fair Value Hierarchy</b>			
	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial Assets</b>				
Investments	-	-	1 182	<b>1 182</b>
<b>Fair Value at End of the Reporting Period</b>	<b>-</b>	<b>-</b>	<b>1 182</b>	<b>1 182</b>

	<b>Classification According to the Fair Value Hierarchy</b>			
	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Asset Held for Sale at Fair Value</b>				
Investments	-	-	1 683	<b>1 683</b>
<b>Fair Value at End of the Reporting Period</b>	<b>-</b>	<b>-</b>	<b>1 683</b>	<b>1 683</b>

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**NOTE 77. FINANCIAL INSTRUMENTS - TERRITORIAL - CONTINUED**

**Fair Value Hierarchy - Continued**

In determining the fair value of its investment in the CBDF, the Directorate uses the net assets method of valuation. The fair value is based on the net assets attributable to the Territory as a unit holder of the trust. Refer to Note 2(a), 'Significant Accounting Policies: Basis of Preparation', for more information.

There have been no transfers of financial assets or financial liabilities among levels during the reporting period.

**Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at balance date are:

	<b>Note</b>	<b>Carrying Amount 2016 \$'000</b>	<b>Fair Value 2016 \$'000</b>	<b>Carrying Amount 2015 \$'000</b>	<b>Fair Value 2015 \$'000</b>
<b>Financial Assets</b>					
Cash and Cash Equivalents	66	5 651	5 651	9 734	9 734
Investments	70	1 182	1 182	1 683	1 683
Receivables	67	130 360	130 360	89 888	89 888
<b>Total Financial Assets</b>		<b>137 193</b>	<b>137 193</b>	<b>101 305</b>	<b>101 305</b>
<b>Financial Liabilities</b>					
Payables	72	130 360	130 360	89 888	89 888
<b>Total Financial Liabilities</b>		<b>130 360</b>	<b>130 360</b>	<b>89 888</b>	<b>89 888</b>

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**NOTE 77. FINANCIAL INSTRUMENTS - TERRITORIAL - CONTINUED**

The following tables set out the Directorate's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2016 and 30 June 2015. All financial assets and liabilities which are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

30 June 2016		Weighted	Floating Interest	Fixed Interest Maturing In:			Non-Interest Bearing	Total
Note No.	Average Interest Rate	Interest		1 Year or Less	Over 1 to 5 Years	Over 5 Years		
		\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Instruments</b>								
<b>Financial Assets</b>								
Cash and Cash Equivalents	66	-	-	-	-	-	5 651	5 651
Investments	70	-	-	-	-	-	1 182	1 182
Receivables <sup>a</sup>	67	-	-	-	-	-	130 360	130 360
<b>Total Financial Assets</b>			-	-	-	-	<b>137 193</b>	<b>137 193</b>
<b>Financial Liabilities</b>								
Payables <sup>a</sup>	72	-	-	-	-	-	130 360	130 360
<b>Total Financial Liabilities</b>			-	-	-	-	<b>130 360</b>	<b>130 360</b>
<b>Net Financial Assets / (Liabilities)</b>			-	-	-	-	<b>6 833</b>	<b>6 833</b>

<sup>a</sup> The Receivables and Payables figures exclude accruals associated with the collection of statutory revenue and net GST Receivables/Payables.

30 June 2015		Weighted	Floating Interest	Fixed Interest Maturing In:			Non-Interest Bearing	Total
Note No.	Average Interest Rate	Interest		1 Year or Less	Over 1 to 5 Years	Over 5 Years		
		\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Instruments</b>								
<b>Financial Assets</b>								
Cash and Cash Equivalents	66	-	-	-	-	-	9 734	9 734
Investments	70	-	-	-	-	-	1 683	1 683
Receivables <sup>a</sup>	67	-	-	-	-	-	89 888	89 888
<b>Total Financial Assets</b>			-	-	-	-	<b>101 305</b>	<b>101 305</b>
<b>Financial Liabilities</b>								
Payables <sup>a</sup>	72	-	-	-	-	-	89 888	89 888
<b>Total Financial Liabilities</b>			-	-	-	-	<b>89 888</b>	<b>89 888</b>
<b>Net Financial Assets / (Liabilities)</b>			-	-	-	-	<b>11 417</b>	<b>11 417</b>

<sup>a</sup> The Receivables and Payables figures exclude accruals associated with the collection of statutory revenue and net GST Receivables/Payables.

**Chief Minister, Treasury and Economic Development Directorate**  
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**NOTE 77. FINANCIAL INSTRUMENTS - TERRITORIAL - CONTINUED**

	Note No.	2016 \$'000	2015 \$'000
<b>Carrying Amount of Each Class of Financial Asset and Financial Liability</b>			
<b>Financial Assets <sup>a</sup></b>			
Loans and Receivables at Amortised Cost	67	130 360	89 888
<b>Financial Liabilities</b>			
Financial Liabilities Measured at Amortised Cost <sup>a</sup>	72	130 360	89 888
<b>Carrying Amount of Each Category of Financial Asset</b>			
<b>Financial</b>			
Financial Assets at Fair Value through Profit and Loss	70	1 182	1 683
<b>Gains/(Losses) on Each Class of Financial Asset</b>			
<b>Gains/(Losses) on Financial Assets</b>			
Financial Assets at Fair Value through Profit and Loss	57	(501)	38

<sup>a</sup> The Loans and Receivables and Financial Liabilities Measured at Amortised Cost figures exclude accruals associated with the collection of statutory revenue and net GST Receivables/Payables.

**NOTE 78. COMMITMENTS - TERRITORIAL**

**Other Commitments**

The Directorate's territorial other commitments relate to grants to the Canberra Thoroughbred, Harness and Greyhound racing codes. An agreement was signed with the racing codes in December 2013.

Payable:

- within one year	8 267	8 226
- later than one year but not later than five years <sup>1</sup>	-	8 428
<b>Total Other Commitments</b>	<b>8 267</b>	<b>16 654</b>

<sup>1</sup> The current Memorandum of Understanding (MOU), signed in 2013, expires on 30 June 2017 (payments made under the MOU are usually made early in the financial year to which they relate).

**NOTE 79. CONTINGENT LIABILITIES AND CONTINGENT ASSETS - TERRITORIAL**

**Contingent Liabilities**

The Directorate's territorial contingent liabilities largely result from claims for damages/costs related to outstanding objections associated with payroll tax and duties and matters being settled by the ACT Government Solicitor's Office.

Claims of Damages/Costs	4 560	4 517
<b>Total Contingent Liabilities</b>	<b>4 560</b>	<b>4 517</b>

**Contingent Assets**

The Directorate has no territorial contingent assets.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 80. CASH FLOW RECONCILIATION - TERRITORIAL**

	2016 \$'000	2015 \$'000
<b>(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement on Behalf of the Territory to the Equivalent Items in the Statement of Assets and Liabilities on Behalf of the Territory</b>		
Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory	5 651	9 734
<b>Cash at the End of the Reporting as Recorded in the Cash Flow Statement on Behalf of the Territory</b>	<b>5 651</b>	<b>9 734</b>
<b>(b) Reconciliation of Operating Surplus/(Deficit) to Net Cash Inflows/(Outflows) from Operating Activities</b>		
Operating Surplus/(Deficit)	(5 592)	232
<b>Add/(Less) Non-Cash Items</b>		
Transfer of Land to Cost of Land Sold	-	38 312
Asset Accruals	-	(10 569)
Loss on Investment in Canberra Business Development Fund (CBDF)	501	-
Cash Transferred in due to Administrative Arrangements (AAs)	-	(37 303)
<b>Add/(Less) Items Classified as Investing or Financing</b>		
Net Proceeds from Sale of Land	(158)	-
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>(5 249)</b>	<b>(9 328)</b>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase)/Decrease in Receivables	(115 990)	(198 104)
(Increase)/Decrease in Other Assets	(42)	(358)
(Increase)/Decrease in Inventories	219	(657)
Increase/(Decrease) in Payables	116 979	209 634
Increase/(Decrease) in Other Liabilities	368	1 243
Increase/(Decrease) in Other Provisions	1 070	866
<b>Net Changes in Operating Assets and Liabilities</b>	<b>2 604</b>	<b>12 624</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>(2 645)</b>	<b>3 296</b>

**NOTE 81. EVENTS OCCURRING AFTER BALANCE DATE - TERRITORIAL**

There were no events occurring after the balance date, which would affect the financial statements as at 30 June 2016, or in future reporting periods.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 82. BUDGETARY REPORTING - EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS - TERRITORIAL**

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met;

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

Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

	Actual 2015-16 \$'000	Original Budget 2015-16 \$'000	Variance \$'000	Variance %
<b>Statement of Income and Expenses on Behalf of the Territory Line Items</b>				
There are no significant variances between actual and original budget amounts in the Statement of Income and Expenses on Behalf of the Territory.				
<b>Statement of Assets and Liabilities on Behalf of the Territory Line Items</b>				
<b>Assets</b>				
Receivables	368 745	195 743	173 002	88%
This increase is largely due to updates to end of financial year accruals for taxes, fees and fines.				
The higher taxes are largely due to additional home buyers accessing the deferred residential conveyance duty scheme.				
Property, Plant and Equipment	397 395	604 676	(207 281)	-34%
The decrease is largely due to the expected Land Rent block purchases forecast in the 2015-16 Budget not occurring.				
<b>Liabilities</b>				
Payables	382 272	207 130	175 142	85%
The increase is largely due to increases in receivables, as all funds expected to be received are on-passed to the Territory Banking Account (TBA).				

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

Variations in this statement are covered in the notes above.

**Chief Minister, Treasury and Economic Development Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2016**

**NOTE 82. BUDGETARY REPORTING - EXPLANATIONS OF MAJOR VARIANCES BETWEEN  
ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS - TERRITORIAL -  
CONTINUED**

	Actual 2015-16 \$'000	Original Budget 2015-16 \$'000	Variance \$'000	Variance %
<b>Cash Flow Statement on Behalf of the Territory Line Items</b>				
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from Sale of Land	60 280	-	60 280	100%
This increase reflects proceeds from the sale of Land Rent blocks to eligible lessees. The sale of Land Rent blocks were not budgeted for prior to the 2016-17 Budget.				
<b>Payments</b>				
Purchase of Property, Plant and Equipment	67 781	87 000	(19 219)	-22%
This decrease represents a lower than expected purchase of Land Rent blocks from the LDA during the year due to a lower than expected entry of land renters into the Land Rent scheme.				
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Capital Injections from Government	66 272	87 000	(20 728)	-24%
This decrease is driven by a lower than estimated entry of land renters into the Land Rent scheme, resulting in fewer Land Rent block purchases being made from the LDA.				
<b>Payments</b>				
Capital Distributions to Government	60 210	-	60 210	100%
This increase is due to the transfer of proceeds associated with the sale of Land Rent blocks to the TBA. The sale of Land Rent blocks were not budgeted for prior to the 2016-17 Budget.				

**Statement of Performance**  
**For the Year Ended**  
**30 June 2016**

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



## **REPORT OF FACTUAL FINDINGS**

### **CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**

**To the Members of the ACT Legislative Assembly**

#### **Report on the statement of performance**

The statement of performance of the Chief Minister, Treasury and Economic Development Directorate (the Directorate) for the year ended 30 June 2016 has been reviewed.

#### **Responsibility for the statement of performance**

The Director-General is responsible for the preparation and fair presentation of the statement of performance of the Directorate in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures to measure the results of the accountability indicators reported in the statement of performance.

#### **The auditor's responsibility**

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in the statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Directorate, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets.

No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

As disclosed in the statement of performance, in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, the Government Payment for Outputs and Total Cost information included in the statement of performance have not been reviewed.

### **Electronic presentation of the statement of performance**

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from this statement of performance. If users of this statement of performance are concerned with the inherent risks arising from the electronic presentation of information, then they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

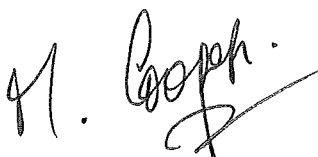
### **Independence**

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the review.

### **Review opinion**

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of the Directorate for the year ended 30 June 2016, are not fairly presented in accordance with the *Financial Management Act 1996*.

This review opinion should be read in conjunction with the other information disclosed in this report.



Dr Maxine Cooper  
Auditor-General

20 September 2016

**Chief Minister, Treasury and Economic Development Directorate  
Statement of Performance  
For the Year Ended 30 June 2016**

**Statement of Responsibility**

In my opinion, the Statement of Performance is in agreement with the Directorate's records and fairly reflects the service performance of the Directorate in providing each class of outputs during the financial year ended 30 June 2016 and also fairly reflects the judgements exercised in preparing them.



Kathy Leigh  
Director-General  
Chief Minister, Treasury and Economic Development Directorate  
16 September 2016

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**  
**STATEMENT OF PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016**

**Output Class 1:**  
**Output 1.1:**  
**Description:**

**GOVERNMENT STRATEGY**

**Government Policy and Reform**

Government Policy and Reform will:

- provide ongoing advice to the Chief Minister and the Government in relation to whole of government policy development and priorities, and the implementation of key Government decisions;
- support the Head of Service as the Chair of the Strategic Board and provide secretariat services to the Board;
- lead, coordinate and monitor policy and project initiatives to promote across government outcomes and delivery – including the smart parking trial and iConnect initiative;
- lead and coordinate the Government's participation in the COAG reform agenda and the Council of Australian Federation (CAF), and its engagement with regional leaders and local governments, including through the Canberra Region Joint Organisation (CBRIO);
- provide advice and support to Cabinet and the Manager of Government Business in the Legislative Assembly; and
- provide across government advice and coordination on ICT issues and implement key initiatives.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$15,978</b>	<b>\$11,622</b>	<b>(27%)</b>	The variance is mainly due to the capitalisation of expenses associated with iConnect and Digital Dividend Investment Strategy and Transformational Service Delivery projects and the deferral of expenditure from 2015-16 to 2016-17 relating to the Digital Dividend projects. This is partially offset by the transfer of Territory Records Office from Output 6.1: Shared Services Human Resources.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$15,872</b>	<b>\$9,165</b>	<b>(42%)</b>	The variance is mainly due to the transfer of funding for iConnect and Digital Dividend Investment Strategy and Transformational Service Delivery projects from Government Payment for Output to Capital Injection and the rollovers of funding for the Digital Dividend projects from 2015-16 to 2016-17. This is partially offset by the transfer of the Territory Records Office from Output 6.1: Shared Services Human Resources.

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**  
**STATEMENT OF PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016**

<b>Accountability Indicator</b>	<b>Original Target 2015-16</b>	<b>Actual Result 2015-16</b>	<b>% Variance from Original Target 2015-16</b>	<b>Explanation of Material Variances (+/- 5%)</b>
a. Whole of government policy and project initiatives	3	2	(33%)	The Activity Based Work (ABW) Pilot was re-scoped to Level 4, Nara Centre only, with Level 5, Nara Centre to be remodelled later in 2016. Remodelling of the office fit-out of Level 4 Nara Centre into an ABW environment was completed in December 2015. An Evaluation report was completed on 14 June 2016.
b. Regional partnerships and participation	2	2	0%	
c. Support for COAG and CAF meetings	4	4	0%	
d. Government Progress Report	June 2016	June 2016	0%	
e. Cabinet and Strategic Board Support	2	2	0%	
f. Regulatory and process reform initiatives	3	3	0%	
g. iConnect Initiative	6	0	(100%)	The target was not met due to challenges with platform configuration, technical challenges relating to the integration of services with our broader core systems, and navigation of Territory Privacy Principles causing delays. These issues are being systematically worked through.
h. Government Transport Reform Statement	1	1	0%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- a. This accountability indicator incorporates key government policy and project initiatives to be delivered by the Directorate during the year. Policy and project initiatives included:
1. Creation of a Reportable Conduct Scheme. The Scheme provides a framework for the reporting of child abuse allegations. The *Reportable Conduct and Information Sharing Amendment Bill 2016* was provided to the Chief Minister in May 2016.
  2. Electronic Document Record Management System (EDRMS) for Cabinet. The system provides a dedicated framework for the circulation of Cabinet documents amongst ACT Government agencies through an EDRMS. The system was implemented in October 2015.

## CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE STATEMENT OF PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016

3. Activity Based Work (ABW) Pilot. ABW refers to flexible working arrangements within an office environment. The Pilot, to demonstrate that ABW could deliver savings by reducing the amount of leased office space required by government, whilst delivering positive organisational cultural change, was commenced.
- b. This accountability indicator reflects the participation in two key partnerships – implementation of initiatives under a memorandum of understanding with the NSW Government on regional cooperation (1 project) and meetings with regional councils through the Canberra Region Joint Organisation (1 project).
- c. This accountability indicator covers briefing and support to the Chief Minister for meetings of the Council of Australian Governments (COAG) and the Council for the Australian Federation (CAF). Meetings of COAG were held on 11 December 2015 and 1 April 2016. Meetings of CAF were held on 11 December 2015 and 31 March 2016.
- d. This accountability indicator relates to the Government Progress Report on longer term strategic policy. The report was received in the Chief Minister's Office on 27 June 2016.
- e. This accountability indicator covers the annual cycle of secretariat support, including preparation and circulation of submissions and papers, to Cabinet and to the ACT Public Service Strategic Board.
- f. This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation and processes to strengthen the delivery of Government priorities. Policy and project initiatives consisted of:
  1. Operation of the Regulatory Reform Panel – meetings were held on 18 August 2015 and 17 March 2016.
  2. Co-ordination of Bills for Red Tape Reduction. The *Red Tape Legislation Amendment Bill 2015* was notified on 30 September 2015. The *Red Tape Legislation Amendment Bill 2016* was notified on 13 April 2016.
  3. Taxi Innovation Review. The *Road Transport (Public Passenger Services) (Taxi Industry Innovation) Amendment Act 2015* was notified on 24 November 2015. New regulations required as part of the Taxi Industry Innovation Review were developed in 2015-16 in consultation with key stakeholders. The *Road Transport (Public Passenger Services) (Transitional Provisions) Regulation 2016*, which was notified on 19 May 2016, provides for transitional provisions until 2 August 2016. Amended regulations were notified in August 2016.
- g. This accountability indicator covers the number of services integrated with the iConnect platform and released online to the public.
- h. This accountability indicator covers the development of reforms to enhance the public transport network. The Public Transport Improvement Plan and Government Response to the MRCagney report were publically released on 27 October 2015. Transport Canberra commenced operation on 1 July 2016 with a Government endorsed strategic direction and performance governance framework.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**  
**STATEMENT OF PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016**

<b>Output Class 1:</b>	<b>GOVERNMENT STRATEGY</b>
<b>Output 1.2:</b>	<b>Public Sector Management</b>
<b>Description:</b>	Public Sector Management will: <ul style="list-style-type: none"> <li>• develop and review whole of government employment policies, regulations and standards and provide industrial relations services to support this framework;</li> <li>• support and coordinate workforce planning and change management across government, including through whole of government learning, development and capability programs;</li> <li>• develop and implement ACTPS capacity building programs, including those for graduates, Aboriginal and Torres Strait Islanders, and people with disabilities;</li> <li>• maintain and monitor whole of government ethics and accountability frameworks;</li> <li>• support the Commissioner for Public Administration and the Remuneration Tribunal; and</li> <li>• coordinate the implementation of the whole of government Healthy Weight Initiative.</li> </ul>

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$16,971</b>	<b>\$14,857</b>	<b>(12%)</b>	This variance is mainly due to a deferral of expenditure from 2015-16 to 2016-17 relating to the ACT Public Service Workers' Compensation Insurance Scheme (ACTPS WCIS), the Healthy Weight Initiative, a saving associated with the ACTPS WCIS, a general underspend, and a change in the notional allocation of corporate overhead.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$12,385</b>	<b>\$8,156</b>	<b>(34%)</b>	This variance is mainly due to rollovers of funding from 2015-16 to 2016-17 relating to the ACTPS WCIS, the Healthy Weight Initiative and a saving associated with the ACTPS WCIS and a change in the notional allocation of corporate overhead.

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**  
**STATEMENT OF PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016**

<b>Accountability Indicator</b>	<b>Original Target 2015-16</b>	<b>Actual Result 2015-16</b>	<b>% Variance from Original Target 2015-16</b>	<b>Explanation of Material Variances (+/- 5%)</b>
a. Conduct the annual whole of Government Graduate Program	1	1	0%	
b. Continue to implement the ACTPS Workers' Compensation and Work Safety Improvement Plan	June 2016	June 2016	0%	
c. Publish the State of the Service Report	Oct 2015	Oct 2015	0%	
d. ACTPS Leadership and Development Framework	Dec 2015	Oct 2015	100%	The development of the Framework was completed earlier than originally forecast.
e. Coordinate the whole of government Healthy Weight Initiative	June 2016	June 2016	0%	
f. Regulatory reform of ACTPS Employment Framework and processes	3	3	0%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- This accountability indicator covers the implementation of the ACTPS whole of government Graduate Program, including the 2015 graduate intake, recruitment, selection and commencement of the 2016 intake, and planning for the 2017 intake. At June 2016, the 2015 cohort commenced their 3<sup>rd</sup> rotation and Assessment Centres have been held for the 2016 cohort. Planning has commenced for the 2017 cohort, including a concerted effort to attract Indigenous People and People with Disability.
- This accountability indicator covers ongoing implementation of the ACTPS Workers' Compensation and Work Safety Improvement Plan. The 2015-16 year saw continued implementation of key initiatives against the Plan, including ongoing provision of training; expanding functionality of the electronic incident reporting system and continued facilitation of the ACTPS Work Health and Safety Working Group. A broad review of the Plan was undertaken and a draft report prepared.
- This accountability indicator covers the publication of the annual State of the Service Report, which incorporates the ACT Public Sector Workforce Profile Report and the report on the implementation of the ACTPS Respect, Equity and Diversity Framework.
- This accountability indicator covers the development of a new framework for improving leadership capabilities across the ACTPS. The ACTPS Leadership and Development Framework was endorsed by the ACTPS Strategic Board in October 2015. This indicator was completed earlier than originally forecast. Activities include Executive Forums, workshops and speaker series, the development of the ACTPS Shared Capability Framework and development of Executive Performance Templates.

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**  
**STATEMENT OF PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016**

- e. This accountability indicator covers ongoing coordination of the Healthy Weight Initiative. This indicator is considered complete when the report describing the achievements within the financial year is provided to the Minister. The report was finalised and provided to the Minister on 23 June 2016. The Minister released the report publicly on 29 June 2016.
- f. This accountability indicator covers policies and projects targeted at improving the effectiveness and efficiency of regulation in relation to the ACTPS Employment Framework. Projects undertaken in 2015-16 related to the implementation of the revised Public Sector Management Act and enterprise agreements, with (1) the revised Act being tabled in June 2016; (2) parameters being set in consultation with stakeholders; and (3) negotiations commencing in accordance with bargaining parameters and associated logs of claims.

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The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE  
STATEMENT OF PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016**

<b>Output Class 1:</b>	<b>GOVERNMENT STRATEGY</b>
<b>Output 1.3:</b>	<b>Industrial Relations Policy</b>
<b>Description:</b>	Industrial Relations Policy will: <ul style="list-style-type: none"> <li>• implement the ACTPS Workers' Compensation and Work Safety Improvement Plan;</li> <li>• provide whole of government return to work case management services to injured employees and their agencies;</li> <li>• develop and review whole of government work health and safety policies and provide work health and safety services to support this framework;</li> <li>• advise the Government on the performance of the ACT Workers' Compensation Scheme and make changes to the Scheme where agreed by the Government;</li> <li>• advise the Government on the regulation of dangerous substances and make changes to related laws where agreed by the Government;</li> <li>• advise the Government on the national work health and safety agenda and continue to participate in the implementation of harmonised workplace safety laws;</li> <li>• advise the Government on national industrial relations matters, and on local industrial relations matters including portable long service leave and public holidays and make changes to related laws where agreed by the Government;</li> <li>• contribute, to consultation with the Commonwealth, States and the Northern Territory, in relation to the National Workplace Relations System; and</li> <li>• coordinate the Territory's consultative bodies for workers' compensation and work health and safety.</li> </ul>

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$3,838</b>	<b>\$3,682</b>	<b>(4%)</b>	
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$3,226</b>	<b>\$2,591</b>	<b>(20%)</b>	This variance is mainly due to having several vacant positions not back filled and delay in the commencement of projects.
<b>Accountability Indicator</b>				
a. Provide advice to Government on developments in the national workplace safety agenda	6	6	0%	

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**  
**STATEMENT OF PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016**

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
b. Represent the ACT on Safe Work Australia and its various sub-committees and working groups, and coordinate input into, and activities arising from, the national initiatives to harmonise and implement work health and safety laws and improve workers' compensation arrangements	10	22	120%	There was broader and more extensive than anticipated SafeWork Australia policy activities in areas, including explosives regulation and rehabilitation, resulting in more than the expected number of meetings.
c. Conduct an actuarial review of the ACT Workers' Compensation Scheme	April 2016	April 2016	0%	
d. In accordance with Government directions, make changes to the <i>Workers Compensation Act 1951</i>	June 2016	June 2016	0%	
e. Provide advice to the Government regarding issues arising from the National Workplace Relations System	4	4	0%	
f. Represent the ACT on national industrial relations fora and coordinate input to, and activities arising from the National Workplace Relations System	4	4	0%	
g. Maintain consultative fora within the ACT on workplace safety and on workers' compensation	4	3	(25%)	A Work Safety Council meeting scheduled for July 2015 was rescheduled to June 2015, in the previous reporting period.
h. Provide policy and legislative advice to the Government on issues affecting ACT workers	3	3	0%	
i. Provide policy and legislative advice to the Government on issues relating to dangerous substances, including chemical, explosive and asbestos regulation	6	6	0%	
j. Continue to implement the recommendations of the Getting Home Safety Report	6	6	0%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE  
STATEMENT OF PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016**

**Notes**

- a. This accountability indicator covers the preparation of briefing papers to the Government on significant national work health and safety developments. The accountability indicator is counted as complete when submissions are lodged with the Government.
- b. This accountability indicator covers preparation for, and attendance at, meetings of Safe Work Australia, meetings of the Strategic Issues Group, and meetings of various technical advisory groups established to harmonise work safety legislation and improve workers' compensation arrangements.
- c. This accountability indicator covers review of the performance of the ACT Workers' Compensation Scheme and consideration of the broader implications of these findings. The indicator is considered complete on receipt of the actuarial analysis and reporting to the Minister for Workplace Safety and Industrial Relations.
- d. This accountability indicator covers the development of amendments to the *Workers Compensation Act 1951*, which are intended to improve the overall efficiency and effectiveness of the Workers' Compensation Scheme. The indicator is considered complete when the submissions to the Government proposing amendments are finalised following external consultation. In the relevant period, amendments were made in areas including asbestos compensation, return to work coordinator training and workplace right of entry powers for WorkSafe inspectors.
- e. This accountability indicator covers the provision of advice to the Government on the progress of any amendments to the *Fair Work Act 2009*, and any other issues arising in relation to the national workplace relation laws. The indicator is calculated on the provision of briefs and other advice to the Government on progress.
- f. This accountability indicator covers the ACT's participation and involvement in the various federally sponsored fora on the administration of the *Fair Work Act 2009*. The indicator is calculated by the number of briefings and meeting papers prepared.
- g. This accountability indicator covers the secretariat role of Work Safety Policy Section to the ACT Work Safety Council, supporting four meetings of the Council. The indicator is calculated on the number of Council meetings held and minutes agreed.
- h. This accountability indicator covers advice on local industrial relations matters including portable long service leave, public holidays, daylight saving and workers' compensation. The indicator is calculated on the number of briefs prepared for the Minister or for the Executive.
- i. This accountability indicator covers advice on the *Dangerous Substances Act 2004*, including chemical explosives and asbestos regulation. The indicator is calculated on the number of briefs prepared for the Minister or for the Executive.
- j. This accountability indicator covers the preparation of advice to the Government on the implementation of the recommendations stemming from the Getting Home Safely Report, including preparation of papers and attendance at Steering Committee meetings and briefings for Government. The indicator is calculated on the number of formal meetings of the Steering Committee held, and by the package prepared for the Minister's bi-yearly update to the Legislative Assembly.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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- Output Class 1:** **GOVERNMENT STRATEGY**
- Output 1.4:** **Coordinated Communications and Community Engagement**
- Description:** Coordinated Communications and Community Engagement will:
- provide information and protocol services to the Chief Minister;
  - provide whole of government advice and assistance on community engagement policies and practices; and
  - provide whole of government communications advice and support, including for emergency response requirements.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$3,058</b>	<b>\$3,969</b>	<b>30%</b>	This variance is mainly due to the centralisation of whole of government communications services.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$3,018</b>	<b>\$3,301</b>	<b>9%</b>	This variance is mainly due to the centralisation of whole of government communications services.
<b>Accountability Indicator</b>				
a. Average number of visits per month to the Time to Talk Canberra website	10,000	3,379	(66%)	During 2016 the notification of community consultations were trialled using a new digital platform and via social media channels, resulting in decreased monthly visits to Time to Talk.
b. Annual numbers of ACT Government Digital Mail Service newsletters	52	23	(56%)	The digital newsletter was changed from a weekly edition to monthly in November 2015. This was to align with the new "Our Canberra" Whole of Government print and digital communications approach to Canberrans. It meant 32 fewer digital editions were delivered in 2015-16. However, a new regionalised print edition was launched in November 2015 and mailed to every Canberra household letterbox every month, reaching many more Canberrans than just the digital newsletter.

The above Statement of Performance should be read in conjunction with the accompanying notes.

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- a. This accountability indicator covers visits to the Time to Talk Canberra website. The site provides a central location for the community to access information on community engagement, and a variety of ways to provide feedback, such as online submission, discussion and survey, or using Twitter.
- b. This accountability indicator covers the total number of ACT Government messages distributed during the year to subscribers of the ACT Government Digital Mail Service.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 2:**

**Output 2.1:**

**Description:**

**FINANCIAL AND ECONOMIC MANAGEMENT**

**Economic Management**

Economic Management will:

- monitor and advise on the state of the ACT economy;
- undertake economic and fiscal modelling and revenue forecasting;
- progress the implementation and further development of tax reform initiatives;
- monitor implementation of the Asset Recycling Initiative;
- provide advice on industry sectoral matters, including economic regulation of water and energy markets;
- coordinate ACT Government involvement with the Commonwealth Grants Commission;
- coordinate the function and responsibilities provided under the Intergovernmental Agreement on Federal Financial Relations;
- continue implementation of the catastrophic injury scheme (Lifetime Care/National Injury Insurance Scheme);
- progress reforms to the compulsory third party insurance arrangements in the ACT;
- continue a review and reform of the *Financial Management Act 1996*; and
- contribute to Heads of Treasuries and Council on Federal Financial Relations processes and support the Heads of Treasury Accounting and Reporting Advisory Committee.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$10,604</b>	<b>\$7,556</b>	<b>(29%)</b>	This variance is mainly due to a deferral of expenditure from 2015-16 to 2016-17 for Value Sharing Advice, Asset Recycling and Insurance Reform, lower level of resources received free of charge compared to budget, lower interest expenses associated to the Community Housing Canberra (CHC) loans and a change in the notional allocation of corporate overhead.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$8,247</b>	<b>\$4,879</b>	<b>(41%)</b>	This variance is mainly due to the rollovers of funding from 2015-16 to 2016-17 for Value Sharing Advice, Asset Recycling and Insurance Reform.

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<b>Accountability Indicator</b>	<b>Original Target 2015-16</b>	<b>Actual Result 2015-16</b>	<b>% Variance from Original Target 2015-16</b>	<b>Explanation of Material Variances (+/- 5%)</b>
a. Briefings on the ACT economy	100	96	(4%)	
b. Submission to CGC Annual Update	1	1	0%	
c. Submission to credit rating agency	1	1	0%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- a) This accountability indicator covers briefings published on the ACT Treasury website on the most recent key economic indicators for Canberra and the Australian Capital Territory, including those based on Australian Bureau of Statistics or other data sources. The indicator excludes other general briefings on the economy.
- b) This accountability indicator covers the annual submission to the Commonwealth Grant Commission (CGC), which forms part of their annual data update which will determine the ACT's share of the national GST pool.
- c) This accountability indicator covers the annual submission to the credit rating agency Standard & Poor's (S&P). This enables S&P to make an assessment of the credit rating of the ACT Government. The submission is a daylong meeting with the agency. The submission to S&P was presented on 20 July 2015. S&P confirmed the credit rating of the ACT Government on 25 September 2015.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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<b>Output Class 2:</b>	<b>FINANCIAL AND ECONOMIC MANAGEMENT</b>
<b>Output 2.2:</b>	<b>Financial Management</b>
<b>Description:</b>	<p>Financial Management will:</p> <ul style="list-style-type: none"> <li>• manage the preparation and presentation of the Government's annual budget, budget review and annual financial statements;</li> <li>• provide quarterly whole of government consolidated management reports;</li> <li>• report to external agencies including the Australian Loan Council, the Australian Bureau of Statistics and the Commonwealth Grants Commission;</li> <li>• provide advice to the Government on financial and budget policy issues;</li> <li>• provide advice to Government on major infrastructure projects; and</li> <li>• review government programs and functions.</li> </ul>

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$27,836</b>	<b>\$26,267</b>	<b>(6%)</b>	This variance is mainly due to the deferral of expenditure from 2015-16 to 2016-17 associated with the Restructure Fund, Strategic Asset Management Program, and Partnership Framework Advisory Support; partially offset by the impact of the transfer of the Oracle financial management system to Output 7.1: Shared Services Finance.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$25,547</b>	<b>\$22,420</b>	<b>(12%)</b>	This variance is mainly due to rollovers of funding from 2015-16 to 2016-17 for the Restructure Fund, Strategic Asset Management Program, and Partnership Framework Advisory Support. This is partially offset by the impact of the transfer of the Oracle financial management system to Output 7.1: Shared Services Finance.

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Accountability Indicator	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
a. Budget presented in accordance with legislative timeframes	1	1	0%	
b. Budget Review presented in accordance with legislative timeframes	1	1	0%	
c. Annual Financial Statements for the Territory in accordance with legislative timeframes	1	1	0%	
d. Quarterly Consolidated Financial Statements presented in accordance with legislative timeframes	4	4	0%	
e. Policy/service reviews commenced	2	2	0%	
f. Policy/service reviews completed	2	1	(50%)	Due to changing priorities, a foreshadowed Review of Property Management was replaced with the Human Services Cluster Review that will be completed in 2016-17.
g. Regulatory reform in relation to financial processes	1	1	0%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- The Territory 2016-17 Budget was presented to the Legislative Assembly on 7 June 2016 in accordance with the timing prescribed in section 5 of the *Financial Management Act 1996* (FMA).
- The 2015-16 Budget Review for the Territory was presented to the Legislative Assembly on 9 February 2016 in accordance with the timing prescribed in section 20A of the FMA.
- The 2014-15 Annual Financial Statements for the Territory were tabled in the Legislative Assembly on 17 November 2015 in accordance with the timing prescribed in section 24 of the FMA.
- The 2015 June Quarter Consolidated Financial Report was tabled on 13 August 2015; the 2015 September Quarter Consolidated Financial Report was tabled on 17 November 2015; the 2015 December Quarter Consolidated Financial Report was tabled on 11 February 2016; and the 2016 March Quarter Consolidated Financial Report was tabled 7 June 2016, in accordance with the timing prescribed in section 26 of the FMA.

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- e. This accountability indicator identifies the commencement of two reviews that comprised of the Review of select budget programs and the Human Services Cluster Review.
- f. This accountability indicator identifies that from an original target of two, one review was completed in 2015-16, specifically, the Review of select budget programs.
- g. This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation in relation to financial processes. The target relates to updating the Financial Management Act Guidelines following the passing of the *Financial Management Amendment Act 2015* by the Legislative Assembly in September 2015. The Guidelines updated to improve the efficiency and effectiveness of the financial management of the Territory were: Financial Management (Budget Financial Statements) Guidelines 2016; Financial Management (Periodic and Annual Financial Statements) Guidelines 2016; Financial Management (Statement of Performance Scrutiny) Guidelines 2016; and Financial Management (Territory Authorities prescribed for Outputs) Guidelines 2016.

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The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 3:**

**REVENUE MANAGEMENT**

**Output 3.1:**

**Description:**

Revenue Management provides for the administration of the ACT Government's taxation revenue. The key outputs to be delivered include:

- collecting taxation revenue in line with budget estimates;
- providing high quality and timely advice to assist taxpayers in meeting their obligations;
- processing objections to assessments and decisions, in accordance with timeframes published on the ACT Revenue Office website;
- processing Home Buyer Concession Scheme transactions and Pensioner Duty Concession Scheme transactions;
- processing Deferred Duty applications; and
- processing First Home Owner Grant applications.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$12,313</b>	<b>\$15,824</b>	<b>29%</b>	This variance is mainly due to the grossing up of expenses as a result of a change in the way internal trading transactions within the Directorate are accounted for, and an increase in expenses relating to the establishment of the valuation office (which is offset by own source revenue).
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>				
<b>Accountability Indicator</b>				
a. Debt Management – level of overdue debt as a percentage of tax revenue	2.5%	3%	20%	The variance largely reflects an increase in the debt ratios for general rates.
b. Internal reviews of Objections completed within 6 months	85%	99%	16%	Only two objections (out of 239) were not completed within 6 months.
c. Internal reviews of Objections completed within 12 months	100%	100%	0%	
d. Compliance revenue per inspector	\$400,000	\$915,177	129%	The variance is due to higher than expected case outcomes in payroll tax and better than expected results in land tax.

The above Statement of Performance should be read in conjunction with the accompanying notes.

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**Notes**

- a. 'Level of overdue debt' measures the level of overdue collectable debt as a percentage of forecast tax revenue. It excludes matters subject to objection and appeals, under liquidation and agreements made by the ACT Government in respect of pending waivers.
- b. Accountability indicator on the completions of internal reviews of objections lodged against revenue decisions.
- c. Accountability indicator on the completions of internal reviews of objections lodged against revenue decisions.
- d. "Compliance revenue per inspector" measures all revenue assessed from compliance activities divided by the number of full-time-equivalent inspectors. It includes revenue from assessments, reassessments (being that portion not already assessed), compromise assessments issued by the Compliance Section, outstanding returns, savings resulting from reductions in refund claims and other compliance activity.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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<b>Output Class 4:</b>	<b>SHARED SERVICES ICT</b>
<b>Output 4.1:</b>	<b>Shared Services ICT</b>
<b>Description:</b>	<p>Shared Services ICT provides a complete range of ICT services to the Government, including infrastructure, applications support and development, ICT policy and ICT project services.</p> <p>The key outputs to be delivered include:</p> <ul style="list-style-type: none"> <li>• services to government agencies as outlined in Shared Services ICT catalogue of services and affirmed through various service level and support agreements;</li> <li>• management of the government data and communications network;</li> <li>• assistance to agencies on ICT security;</li> <li>• management of the whole of government communications network;</li> <li>• business systems support; and</li> <li>• general service and help desk functions.</li> </ul>

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$151,085</b>	<b>\$168,118</b>	<b>11%</b>	This variance was mainly due to expenditure associated with increased project activity undertaken on behalf of other agencies and a change in the notional allocation of corporate overhead.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$14,064</b>	<b>\$10,945</b>	<b>(22%)</b>	This variance is mainly due to savings as a result of lower than expected costs for the Data Storage Infrastructure initiative, partially offset by a change in the notional allocation of corporate overhead.
<b>Accountability Indicator</b>				
a. Costs compared to peer organisations' costs as benchmarked by an independent organisation	within 5%	within 5%	0%	
b. Email availability across government during core business hours	100%	100%	0%	
c. Service requests made via the Service Desk are resolved within Service Level Agreements' timeframes	90%	91%	1%	

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
d. Average time taken for telephone service requests to be answered by a Service Desk Officer	20 seconds	26 seconds	30%	The variance reflects the impact of unexpected staff turnover and the associated training and skills development.
e. Number of successful attacks on internally hosted ACT Government websites	0	0	0%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- The independent benchmarking is undertaken annually. This data is from benchmarking undertaken in 2016 for the period 2015-16.
- Established by determining up-time of each core component of the network across core business hours (Monday to Friday 8am to 6pm).
- Service Standards timeframes are published standards for service delivery by Shared Services.
- This accountability indicator covers the average time (in seconds) taken for a call to be answered by the Service Desk.
- This accountability indicator covers security breaches of internally hosted ACT Government web sites and web applications.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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- Output Class 5: PROCUREMENT AND CAPITAL WORKS**
- Output 5.1: Procurement and Capital Works**
- Description:** Procurement and Capital Works will provide:
- procurement and associated risk management services to agencies, including delivering capital works projects on behalf of agencies;
  - coordination of Work Health and Safety Active Certification Policy for ACT Government construction sites;
  - the Government contracts register and electronic tendering system;
  - supplier pre-qualification arrangements; and
  - the secretariat to the Government Procurement Board.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$47,450</b>	<b>\$29,733</b>	<b>(37%)</b>	This variance is primarily due to the transfer of the minor works project team to Output 8.7: Property Services.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$4,687</b>	<b>\$4,867</b>	<b>4%</b>	
<b>Accountability Indicator</b>				

- a. Proportion of Government-funded annual Capital Works program supported with project procurement services
- |     |     |       |  |
|-----|-----|-------|--|
| 90% | 72% | (20%) | Some agencies make partial use of Procurement and Capital Works support, including in establishing specific panels of contractors, prequalification of tenderers, active certification for Work, Health and Safety, managing the call tender process, tender publication, and contract execution services, but for a range of reasons do not utilise the full service. In this reporting period, there was a significantly larger than usual volume of works in this category. |
|-----|-----|-------|--|
- b. Proportion of tenders available to potential tenderers in electronic format
- |      |      |     |   |
|------|------|-----|---|
| >90% | 100% | 11% | The introduction of a new electronic tendering system, TendersACT, on the Procurement and Capital Works website enabled 100% of tenders managed by Procurement and Capital Works in 2015-16 to be available in electronic format. |
|------|------|-----|---|

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
c. Proportion of relevant projects supported by Procurement and Capital Works that have had WHS audits performed in accordance with the Active Certification Audit Program	>90%	89%	(100%)	Audits were programmed where they would deliver the most value. For example, audits were not held where projects were nearly completed and most of the workforce was demobilised.
d. Capital Works Projects				
– (i) Percentage of Construction Projects Completed on Budget	85%	100%	18%	Improved project estimation processes and enhanced communication and early monitoring of issues have reduced variations.
– (ii) Percentage of Construction Projects Completed on Time	85%	100%	18%	Improved project estimation processes and enhanced communication and early monitoring of issues have reduced variations.

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- a. This excludes capital works undertaken by the Land Development Agency and the Commissioner for Housing. It excludes works under Directorates' Capital Upgrade Programs and capital ICT works, due to the nature of these specific capital works and activities. Some Directorates maintain their own works delivery capacity, and so target is designed to reflect that Procurement and Capital Works is the provider of choice for all other capital procurement and project management services. While individual projects may be completed during the year, the total proportion is measured annually.
- b. This accountability indicator measures the proportion of tenders published on the Procurement and Capital Works website that are available to the public to download in electronic format.
- c. The Active Certification Policy (ACP) applies to Government capital works valued at \$250,000 or more and requires one workplace health and safety audit to be conducted in every 13-week period of construction. In 2015-16, there were 166 audits conducted covering 117 separate projects.
- d. This accountability indicator was previously reported in Output 8.1 Policy, Strategy and Infrastructure Delivery and now applies to all construction projects managed in Procurement and Capital Works.
  - (i) This target measures the percentage of New Construction Capital Works projects managed by Procurement and Capital Works that are delivered at or below the approved budget.
  - (ii) This target measures the percentage of New Construction Capital Works projects managed by Procurement and Capital Works that are delivered on or before the approved timeframe.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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<b>Output Class 6:</b>	<b>SHARED SERVICES HUMAN RESOURCES</b>
<b>Output 6.1:</b>	<b>Shared Services Human Resources</b>
<b>Description:</b>	<p>Shared Services Human Resources provides tactical and transactional human resource services to directorates and agencies as well as records management services.</p> <p>The key outputs to be delivered include:</p> <ul style="list-style-type: none"> <li>• payroll and personnel services, including tax payments and salary packaging;</li> <li>• recruitment services;</li> <li>• support in the management of employee relations processes;</li> <li>• coordination and facilitation of ACTPS wide training and development;</li> <li>• statutory and human resources management reporting;</li> <li>• organisational position and data management;</li> <li>• a full range of record management, mail room and courier activities to the majority of government directorates; and</li> <li>• the broad range of functions listed in the <i>Territory Records Act 2002</i> through the operations of the Territory Records Office.</li> </ul>

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$29,125</b>	<b>\$28,248</b>	<b>(3%)</b>	
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$3,132</b>	<b>\$3,284</b>	<b>5%</b>	The variance is mainly due to a change in the notional allocation of corporate overhead; partially offset by the transfer of the Territory Records Office to Output Class 1: Government Strategy.
<b>Accountability Indicator</b>				
a. Service requests made via the Service Desk are resolved within Service Standard timeframes	90%	82%	(9%)	The result was due to significant increases in call and email volumes received by the Human Resources Service desk. This has been addressed by reallocating resources and improving digital processes.
b. Data for Annual Reports and the Workforce Profile are provided within the agreed timeframe	100%	100%	0%	

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
c. Performance standards in Recruitment Services for permanent and temporary vacancies services specifications achieved	95%	97%	2%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- a. Standards timeframes are published standards for service delivery by Shared Services.
- b. Workforce data for Annual Reports is produced and disbursed by Shared Services to directorates annually to enable them to prepare their annual report consistent with the annual report guidelines developed by the Chief Minister, Treasury and Economic Development Directorate.
- c. Represents the overall average of performance standards in recruitment service specifications being achieved. The indicator represents the overall average against the service specifications for the preparation and submission of vacancy notices for advertising; the emailing of applications and the recruitment file to the requesting/contact officer; and the notification to applicants of the outcomes of the selection process following completion of the processes. Measurement is undertaken using data extracted from the Recruitment Management System.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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<b>Output Class 7:</b>	<b>SHARED SERVICES FINANCE</b>
<b>Output 7.1:</b>	<b>Shared Services Finance</b>
<b>Description:</b>	<p>Shared Services Finance provides tactical and transactional finance services to directorates and agencies as well as publishing services. The key outputs to be delivered include:</p> <ul style="list-style-type: none"> <li>• accounts payable and some accounts receivable functions;</li> <li>• general ledgers;</li> <li>• a fixed assets register;</li> <li>• the development and maintenance of the Oracle E Business Suite;</li> <li>• cash flow management and bank reconciliations;</li> <li>• tax payments, including whole of government framework for questions;</li> <li>• tax returns and advice;</li> <li>• financial reporting services; and</li> <li>• in-house print and electronic publishing.</li> </ul>

	<b>Original Target 2015-16</b>	<b>Actual Result 2015-16</b>	<b>% Variance from Original Target 2015-16</b>	<b>Explanation of Material Variances (+/- 5%)</b>
<b>TOTAL COST (\$'000)</b>	<b>\$17,750</b>	<b>\$19,637</b>	<b>11%</b>	This variance is mainly due to a change in the notional allocation of corporate overhead and the impact of the transfer of the Oracle financial system from Output 2.2: Financial Management.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$1,213</b>	<b>\$1,787</b>	<b>47%</b>	This variance is mainly due to a change in the notional allocation of corporate overhead and the transfer of the Oracle financial system from Output 2.2: Financial Management.

<b>Accountability Indicator</b>			
a. Business Activity Statements completed in accordance with ATO deadline	100%	100%	0%
b. Fringe Benefits Tax Return submitted to the ATO in accordance with ATO deadline	100%	100%	0%
c. Monthly financial information available for use by agencies by 6th working day of the month	100%	100%	0%

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
d. Annual financial statements completed and sent to agencies by 10th working day of July	100%	100%	0%	
e. Average time (i.e. working days) taken to enter accounts payable invoices into Oracle following receipt at Shared Services Finance from directorates	2	2	0%	
f. Service requests made via the Service Desk are resolved within Service Standards timeframes	90%	94%	4%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- a. This accountability indicator covers the submission of Business Activity Statements (BAS) to the Australian Taxation Office (ATO).
- b. This accountability indicator covers the lodgement of annual Fringe Benefits Tax (FBT) returns to the ATO.
- c. This accountability indicator refers to the completion of processing of monthly financial information using Oracle.
- d. This accountability indicator covers the submission of draft annual financial statements to the directorates/agencies.
- e. This accountability indicator refers to the average number of working days taken to enter accounts payable invoices into Oracle.
- f. Service Standards timeframes are published standards for service delivery by Shared Services.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 8:** **ECONOMIC DEVELOPMENT**  
**Output 8.1:** **Economic Development Policy, Projects and Legislation**  
**Description:** Economic Development Policy, Projects and Legislation develops and provides a range of policy and strategy advice and legislation review and development, to support the business units of the Directorate, specifically in relation to: business development, sport and recreation, tourism and events, arts and land development. It provides gaming and racing policy advice and legislation development in consultation with the Gambling and Racing Commission and leads and coordinates the delivery of the Government's land supply strategy.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015- 16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$14,013</b>	<b>\$97,875</b>	<b>598%</b>	This variance is mainly due to the impact of the transfer of completed capital works projects to the Territory and Municipal Services Directorate and Shared Services outputs.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$13,747</b>	<b>\$9,798</b>	<b>(29%)</b>	This variance is mainly due to the rollovers of funding for many projects from 2015-16 to 2016-17 and the impact of rollovers for numerous projects from 2013-14 to 2015-16.
<b>Accountability Indicator</b>				
a. Construction Snapshots	2	1	(50%)	While the second Construction Snapshot of the year was completed during the reporting period, it was not publicly released online until August 2016.
b. Economic Development Policy and Project Initiatives	4	4	0%	
c. Gaming and Racing Policy	2	2	0%	
d. Regulatory and Process Reform Initiatives	2	2	0%	
e. 4-year Indicative Land Release Program Published	1	1	0%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

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Notes

- a. This accountability indicator covers the preparation of two Construction Snapshots for 2015-16.
- b. This accountability indicator incorporates economic development policy initiatives to be delivered by the Strategy and Program Design Branch during the year. Milestones completed were: the Economic Trends report was published for the fourth quarter of 2015; the business development strategy *Confident and Business Ready* has continued to be implemented, with a brief provided to Ministers in March 2016; a policy framework for trialling automated vehicles has been developed and was agreed to by Cabinet in June 2016; and the review of the Affordable Housing Action Plan has been completed, with a discussion paper provided to the Social Inclusion Sub-Committee of Cabinet in May 2016.
- c. This accountability indicator incorporates gambling and racing policy initiatives to be delivered by the Strategy and Program Design Branch during the year. Milestones completed were: the implementation of the Electronic Gaming Machine trading scheme, which commenced from 31 August 2015; and the coordination of the response to the Standing Committee on Public Administration's *Inquiry into elements impacting on the future of the ACT clubs sector*, which was tabled in the Legislative Assembly in November 2015.
- d. This accountability indicator incorporates regulatory and process reform policy initiatives to be delivered by the Strategy and Program Design Branch during the year. Milestones completed were: the *Lotteries (Approvals) Amendment Act 2015*, effective from November 2015; and regulatory reform option discussion papers on Water Safety in ACT Public Pools, and Combat Sport in the ACT, released in December 2015.
- e. The Government's 4-year Indicative Land Release Program was published in June 2016.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 8:**

**Output 8.2:**

**Description:**

**ECONOMIC DEVELOPMENT**

**Innovation, Trade and Investment**

Innovation, Trade and Investment (ITI) delivers programs, initiatives and business policy advice that promote the economic development of the broader capital region, including universities, research organisations, commercialisation entities, business organisations and other government agencies. ITI's activities cover small business advisory and information services, activities aimed at accelerating the commercialisation of locally generated intellectual property, programs to encourage internationalisation of ACT businesses through Trade and Invest Canberra, and a range of activities that enhance the innovation capability of the private sector and its relationship with key institutions. ITI also delivers the Skilled and Business Migration Program and participates in business and innovation policy forums, including Ministerial Councils and other national business, innovation and science infrastructure forums.

ITI also works with the higher education and research sector to promote capabilities in areas such as cyber security, the space and spatial economy, sports technology, health innovation, agriculture and environmental sciences, ICT and e-government, and international education. ITI is responsible for the provision and overall management of vocational education and training in the Territory.

This includes administering, monitoring and auditing Territory and national funds for a variety of programs addressing skills development.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	\$17,436	\$25,808	48%	This variance is mainly due to the impact of the Administrative Arrangement of 22 January 2016 in which Training and Tertiary Education transferred from the then Education and Training Directorate to CMTEDD. This is partially offset by the deferral of expenditure from 2015-16 to 2016-17 associated with Building Australia's FutureWorkforce - Skills Reform NP, National Skills and Workforce Development SPP, CBRFree Wifi and ACT Film Fund.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	\$16,018	\$24,146	51%	This variance is mainly due to the impact of the Administrative Arrangement of 22 January 2016 in which Training and Tertiary Education transferred from the then Education and Training Directorate to CMTEDD. This is partially offset by the rollovers of funding from 2015-16 to 2016-17 associated with Building Australia's FutureWorkforce - Skills Reform NP, National Skills and Workforce Development SPP, CBRFree Wifi and ACT Film Fund.

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<b>Accountability Indicator</b>		<b>Original Target 2015-16</b>	<b>Actual Result 2015-16</b>	<b>% Variance from Original Target 2015-16</b>	<b>Explanation of Material Variances (+/- 5%)</b>
<b>a. Support for innovation start-ups and entrepreneurs</b>					
-	(i) Innovation Connect (ICon) new client connections	50	79	58%	The higher than target result is a demonstration of the increased activity in the broader innovation ecosystem and the importance of the program as a funding source at the very early start-up stage.
-	(ii) Innovation Connect (ICon) successful grant applications	15	32	113%	The variance is due to a significant increase in smaller grants awarded under the Accelerating Innovation stream and changes to the upper funding limit (from \$50,000 to \$30,000) in the Program Guidelines for Proof of Technology funding stream. The result of 32 was managed within the Innovation Connect Budget allocation.
-	(iii) Deliver targeted programs to support innovative start-ups	3	3	0%	
-	(iv) Satisfaction on the effectiveness of ACT Government programs and initiatives to support innovative start-ups among key partners and stakeholders including the CBR Innovation Network Board and the Innovation Community Forum	>75%	82%	9%	The result indicates industry stakeholders are satisfied with the quality and effectiveness of the ACT Government programs.

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**  
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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
b. Support development of key industry capability in the ACT innovation ecosystem				
- (i) Deliver targeted programs to support development of key industry capability in the ACT Innovation ecosystem	4	4	0%	
- (ii) Satisfaction on the effectiveness of ACT Government programs and initiatives to support development of key industry capability in the ACT Innovation ecosystem among key partners and stakeholders including the CBR Innovation Network Board and Community Forum	>75%	82%	9%	The result demonstrates industry stakeholders are satisfied with the quality and effectiveness of ACT Government programs supporting key industry capability.
c. Invest Canberra				
- (i) Trade Connect grants delivered	20	59	195%	The positive variance is a reflection of the ACT Government broadening the eligibility criteria for Trade Connect support, resulting in a significant increase in demand for Trade Connect funding support associated with the delivery of three structured industry trade missions during the reporting period. In addition, an enhanced partnership agreement with the Canberra Business Chamber focused on delivery of export development initiatives and promotion of the Trade Connect program that led to increased demand from industry outside of trade mission periods. The result of 59 was managed within the Trade Connect Budget allocation.
- (ii) Number of international trade and investment campaigns and delegations	3	3	0%	

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
- (iii) Number of lead responses generated from Invest Canberra program activity	30	36	20%	Interest and awareness in the Investment Proposal Guidelines program continues to grow resulting in a growth in the number of investment leads received and managed. ('Leads' are entities that have expressed an interest and have the authority to invest in the ACT).
- (iv) Number of investment facilitation projects supported	5	5	0%	
d. Skilled Migration Attraction and Facilitation				
- (i) Employer Sponsored Nominated	250	307	23%	The result and positive variance reflects greater demand than anticipated, potentially due to an increased need by employers for workers to fill job vacancies and greater numbers of students and individuals considering migration pathways. Program activity is demand-driven by local employers.
- (ii) Skilled Independent Nominated	500	511	2%	
- (iii) Participation in the settlement support program for ACT nominated migrants	>70%	70.5%	0%	
- (iv) Average number of monthly visits to <i>Canberra. Create Your Future</i> website	12,000	23,068	92%	Greater number of monthly visits than anticipated indicates a higher than anticipated number of users of the <i>Canberra. Create Your Future</i> website, indicating the resource is valuable and well used. The release of an updated ACT Occupation List (ie. occupations that are identified as in demand/shortage in the Territory) in August 2015 and March 2016 may contribute in-part to increased visitation to the website.
e. Funded training initiative allocation rounds administered within published timeframes	100%	100%	0%	

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
f. Registered training organisation audit reports provided within 30 days of completion of on-site audit	100%	100%	0%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- a.
  - (i) This accountability indicator tracks the number of new client connections engaging with the Innovation Connect grant program.
  - (ii) This accountability indicator tracks the number of successful applications to the Innovation Connect grant program, i.e. applications that the Innovation Connect Assessment Panel approves for funding support. The Innovation Connect Budget allocation is managed to ensure the best possible applications can be funded for support across the multiple funding rounds within the reporting period.
  - (iii) Delivery of ACT Government programs to support start-ups (ie. newly created businesses, business intenders, business models that propose innovative products or services that can demonstrate future growth potential). Target refers to CBR Innovation Network, Innovation Connect and Digital Canberra Challenge programs.
  - (iv) Survey of ACT Government programs to support start-ups. Survey is conducted annually and seeks comment and views on the impact and effectiveness of ACT Government programs and initiatives to assist innovative start-ups within the ACT economy. Stakeholders surveyed are CBR Innovation Network Board, CBR Innovation Network membership and the Innovation Community Forum.
- b.
  - (i) Delivery of ACT Government programs to support key industry capability in the local innovation ecosystem. Target refers to CBR Innovation Network, National ICT Australia (NICTA), CollabIT and Screen Industry Support programs.
  - (ii) Surveys of ACT Government programs to support key industry capability in the local innovation ecosystem. Survey is conducted annually and seeks comment on the impact and effectiveness of ACT Government programs and initiatives to build capacity in key capability areas within the ACT economy. Stakeholders surveyed are CBR Innovation Network Board, CBR Innovation Network membership and the Innovation Community Forum.
- c.
  - (i) Number of Trade Connect grants awarded. The Trade Connect Budget allocation is managed to ensure the best possible applications can be funded for support across the reporting period.
  - (ii) Number of international trade and investment campaigns and delegations delivered.
  - (iii) Number of trade and investment lead responses identified and qualified. A lead is defined as the identification of an entity that has expressed an interest and has the authority and capacity to invest in the ACT.
  - (iv) The number of investment facilitation projects supported is defined as the number of leads that develop into supported projects. Supported projects that are facilitated through the Investment Proposal Guidelines (IPG) unsolicited bid process are defined as projects that are approved to advance to Stage 2 of the IPG process – the development of a detailed business case for consideration by Government. Supported projects are defined as projects where open consultation with a company begins to realise an investment opportunity.

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- d. (i) Employer Sponsored Nominated – the ACT Government has a role to facilitate nominations to assist employers fill skilled vacancies that cannot be filled by the local labour market. This accountability indicator tracks the number of nominations processed by the ACT Government as a Regional Certifying Body, within policy parameters set by the Commonwealth Government (Department of Immigration and Border Protection), based on a three-year average of nominations. This is a demand driven program based on the needs of employers to sponsor overseas workers to fill positions unable to be filled from the local labour market.
- (ii) Skilled Independent Nominated - the ACT Government has a role to nominate migrants, with skills that are in demand in the ACT as identified on the ACT Occupation List, to migrate and work in the ACT. The ACT Occupation List (ie. occupations that are identified as in demand/shortage in the Territory) is developed using the Forecasting Industry Needs Analysis (FINE) methodology to identify the skills gap in the ACT. The target represents the mid-range quota for skilled independent nominations as set by the Commonwealth Government (Department of Immigration and Border Protection).
- (iii) Percentage of ACT nominated skilled migrants arriving from overseas that participate in settlement support program.
- (iv) Average number of monthly visits to *Canberra. Create Your Future* website ([www.canberrayourfuture.com.au](http://www.canberrayourfuture.com.au)), promoting the competitive advantages of Canberra to skilled workers. Website content is monitored and updated.
- e. This accountability indicator was previously reported in Output 3.1 Planning and Coordination of Vocational Education and Training Services in the former Education and Training Directorate (now Education Directorate). Vocational Education and Training transferred to the Chief Minister, Treasury and Economic Development Directorate in the *Administrative Arrangements 2016 (No 1)* that took effect from 22 January 2016. This indicator measures the percentage of funded allocation rounds that were communicated to providers within the published timeframes for each allocation round.
- f. This accountability indicator was previously reported in Output 3.1 Planning and Coordination of Vocational Education and Training Services in the former Education and Training Directorate (now Education Directorate). Vocational Education and Training transferred to the Chief Minister, Treasury and Economic Development Directorate in the *Administrative Arrangements 2016 (No 1)* that took effect from 22 January 2016. This indicator measures the percentage of registered training organisation (RTO) audit reports provided within 30 days of the completion of an on-site audit.

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The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**  
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**Output Class 8:** ECONOMIC DEVELOPMENT  
**Output 8.3:** VisitCanberra

**Description:** VisitCanberra creates and implements a range of innovative tourism marketing and development programs, in partnership with local industry, national bodies and institutions, which aim to support the Territory's economic development through increased visitation to the ACT and region.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$15,765</b>	<b>\$15,440</b>	<b>(2%)</b>	
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$14,104</b>	<b>\$14,394</b>	<b>2%</b>	
<b>Accountability Indicator</b>				
a. ACT Accommodation – Room Occupancy Rate (%)	>national average (64.9%)	68.1%	5%	The variance is attributed to strong domestic visitation and targeted tourism campaign activity.
b. Canberra and Region Visitors Centre (CRVC) – Overall visitor satisfaction with customer service levels at the CRVC	>85%	99%	17%	The variance is due to the high level of customer service provided by the CRVC staff.
c. Number of visits to the 'visitcanberra' website	1,300,000	1,676,378	29%	A significant portion of traffic has come from an increase in the number of searches which is, in part, a reflection on the increased focus on search engine optimisation. Traffic from social media has also seen a significant increase due to increased referrals back to the site from VisitCanberra social media channels.

The above Statement of Performance should be read in conjunction with the accompanying notes.

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- a. Room occupancy rates are taken from the annual Survey of Tourist Accommodation (ABS Cat. No. 8635.0). The data applies to hotels, motels, resorts, guesthouses and serviced apartments with 15 or more rooms/units. The latest available data for the year ending June 2015 indicates that the ACT occupancy rate was 68.1 per cent and the National rate was 64.9 per cent.
- b. Satisfaction with overall customer service levels at the CRVC is captured as part of a broader Satisfaction Survey open to visitors throughout the year. Survey data is recorded using the Survey Monkey online program. Aspects surveyed include satisfaction with product knowledge, helpfulness of staff and service waiting times. The 2015-16 result reflects the structured educational program delivered by the CRVC to ensure staff and volunteers have up to date knowledge and service awareness. This includes specific training programs, product familiarisation and tourism industry engagement programs.
- c. This accountability indicator is used to provide an indication of the performance of the website [www.visitcanberra.com.au](http://www.visitcanberra.com.au) as a key driver for tourism activities such as travel, research, planning and online bookings in Canberra.

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The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 8:**  
**Output 8.4:**  
**Description:**

**ECONOMIC DEVELOPMENT**  
**Sport and Recreation**  
 Active Canberra (formerly Sport and Recreation Service) supports Canberra's participation in organised sport and recreation through delivery of programs, facilities and pathways. As part of this it provides support services to local high performance athletes, administers grants and delivers education and training opportunities to maintain and enhance the capabilities of the community sport and recreation sector in the ACT. Active Canberra is responsible for the planning and delivery of new sporting infrastructure and the ongoing management and maintenance of the Territory's community sportsgrounds, aquatic/leisure and associated facilities

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	\$53,518	\$57,663	8%	This variance is mainly due to an increased costs associated with sportsground irrigation, management subsidies and operational losses for the Canberra Olympic Pool, higher Sportsground maintenance (which is partially offset by higher own source revenue) and a change in the notional allocation of corporate overhead. This is partially offset by the deferral of expenditure from 2015-16 to 2016-17 relating to a Grant for Development of a New Basketball Centre and Player Amenities and Stromlo Forest Park Enclosed Oval (Feasibility).
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	\$28,726	\$34,707	21%	This variance is mainly due to an increase in costs associated with sportsground irrigation and management subsidies and operational losses for the Canberra Olympic Pool, and a change in the notional allocation of corporate overhead. This is partially offset by the rollover of funding from 2015-16 to 2016-17 relating to Grant for Development of a New Basketball Centre and Player Amenities and Stromlo Forest Park Enclosed Oval (Feasibility).
<b>Accountability Indicator</b>				

a. Number of nationally identified priority athletes supported by the ACT Academy of Sport

100	106	6%	A higher than anticipated 106 ACTAS scholarship athletes were supported across seven Squad programs and an Individual Athlete Program in 2015-16.
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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
b. Percentage of customers satisfied with the management of sportsgrounds	95%	87%	(8%)	The Original Target was set on the basis of the previous years' outcome, which included the survey response category of customers that were 'not dissatisfied' with the management of sportsgrounds. It was decided to exclude this category for the 2015-16 Actual Result as it indicates a less than satisfied response. This has resulted in the lower than target outcome.
c. Percentage of customers satisfied with management of aquatic centres	93%	85%	(9%)	This result has been affected by the June Quarter results as the satisfaction level was down to 70%. Based on results of earlier quarters, this decline in winter onset is expected to be temporary. Overall yearly results are positive with no major implications arising for consideration by Active Canberra.
d. Number of organisations funded to support participation opportunities in sport and recreation	80	80	0%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- This accountability indicator reports the number of ACTAS supported athletes identified and prioritised by their respective national body as an athlete with emerging international level potential through to the world class medal potential.
- A quarterly survey of visitors to district sportsgrounds, enclosed sportsgrounds and neighbourhood ovals that measures visitors' satisfaction or dissatisfaction with how well the sportsground is managed and standard of the facilities provided by the sportsgrounds. The Original Target was set on the basis of the previous year's outcomes, which included the survey response category of customers that were 'not dissatisfied' with the management of sportsgrounds. Whilst this survey response remains an option, it was decided to exclude this category for the 2015-16 Actual Result as it indicates a less than satisfied response (this has accounted for 8% of those surveyed in the July-September 2015 quarter, 16% in the October-December 2015 quarter, 0% in the January – March 2016 quarter and 14% in the April – June 2016 quarter; a 10% lower outcome overall).
- A quarterly survey of visitors to public swimming pools seeking visitors' satisfaction with the management of public swimming pools - overall experience provided by the public swimming pools and maintenance and cleanliness of public swimming pools.
- This accountability indicator reports the number of organisations funded through the Sport and Recreation Grant Program to deliver participation opportunities. This funding support is coupled with access to Directorate delivered education and training liaison officer assistance to improve the quality of these opportunities.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

**CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE**  
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**Output Class 8: ECONOMIC DEVELOPMENT**

**Output 8.5: Venues**

**Description:** Venues promote and manages major events at venues including GIO Stadium, Exhibition Park in Canberra, Manuka Oval, Stromlo Forest Park and the Canberra Business Event Centre.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	\$14,401	\$17,622	22%	This variance is mainly due to expenses associated with the hosting of the One-Day International Cricket and Soccerroos matches in Canberra, and a change in the notional allocation of corporate overhead.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	\$2,387	\$3,239	36%	This variance is mainly due to payments made to host the One-Day International Cricket and Soccerroos matches in Canberra, and a change in the notional allocation of corporate overhead.

**Accountability Indicator**

a. Number of Major Events at:

- (i) GIO Stadium	23	22	(4%)	
- (ii) Manuka Oval	5	7	40%	The variance is due to the Women's and additional Men's international cricket matches secured.
- (iii) Stromlo Forest Park	7	10	43%	The variance is due to Rollercoaster Gravity, Subaru Mountain Bike Australia and National Capital Tour as additional events.
- (iv) Exhibition Park in Canberra	84	109	30%	The variance is due to a number of events not contracted at the start of year, particularly in retail sales (eg Lorna Jane), one off events (Chinnok), and new ongoing events such as handmade markets and major dinners.

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
b. Own Source Revenue by Venue				
- (i) GIO Stadium	\$2.9 million	\$2.6 million	(10%)	There has been lower than expected demand for suite sales, memberships and sponsorship.
- (ii) Manuka Oval	\$360,000	\$455,000	26%	The higher than expected return is due to additional events and a decrease in associated costs. Function income has grown.
- (iii) Exhibition Park in Canberra	\$3.5 million	\$3.67 million	5%	The variance is due to higher than expected demand in venue hire and camping, and an increase in recovery of expenses.

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- a.
  - (i) The target reflects major events held at GIO Stadium in 2015-16.
  - (ii) The target reflects major events held at Manuka Oval in 2015-16.
  - (iii) The target reflects major events held at Stromlo Forest Park in 2015-16.
  - (iv) The target reflects major events held at Exhibition Park in 2015-16.
- b.
  - (i) This accountability indicator covers own source revenue (measured as gross profit) generated by GIO Stadium and is based on pre-existing hire agreements.
  - (ii) This accountability indicator covers own source revenue (measured as gross profit) generated by Manuka Oval and is based on pre-existing hire agreements.
  - (iii) This accountability indicator covers own source revenue (measured as gross revenue) generated by Exhibition Park in Canberra.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 8: ECONOMIC DEVELOPMENT**

**Output 8.6: Events**

**Description:** Events ACT manages and delivers major events such as Floriade, Floriade NightFest, the Enlighten Festival, New Year's Eve, Australia Day, Canberra Festival and the Canberra Nara Candle Festival. This output also includes management of the National Arboretum Canberra.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$11,566</b>	<b>\$14,023</b>	<b>21%</b>	This variance is mainly due to the impact of the Administrative Arrangements of 22 January 2016 in which the National Arboretum of Canberra transferred from the Territory and Municipal Services Directorate to CMTEDD.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$6,875</b>	<b>\$12,419</b>	<b>81%</b>	This variance is mainly due to the transfer in of the National Arboretum Canberra following the Administrative Arrangements of 22 January 2016 from the Territory and Municipal Services Directorate to CMTEDD.

**Accountability Indicator**

a. Deliver key community events				
- New Year's Eve	1	1	0%	
- Australia Day	1	1	0%	
- Canberra Nara Candle Festival	1	1	0%	
- Canberra Festival	1	1	0%	
b. Economic activity generated as a result of staging Floriade	\$40 million	\$46.9 million	17%	The higher than expected result from the Original Target mostly relates to the variable impact that many external factors (i.e. weather, media exposure, public reaction) have on the event and therefore the Actual Result. Floriade 2015 was supported by a fully integrated marketing campaign across key interstate target markets. The marketing effort allied with good weather and a strong entertainment program

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
c. Economic activity generated as a result of staging the Enlighten Festival	\$2 million	\$2.1 million	5%	played an integral part in attracting strong visitation and the resultant economic impact.  This is a new Accountability Indicator and a conservative value for this indicator was applied for initial reporting.  Enlighten 2016 was supported by a fully integrated marketing campaign across key interstate target markets. A total of 263,000 visitors attended Enlighten 2016, 28% of attendees were unique first time attendees with overseas and interstate visitors average length of stay 2.03 nights, a 5% increase from 2015.
d. The level of customer satisfaction at the National Arboretum Canberra	85%	96%	13%	The above target result indicates that the customer's expectations are being met.

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- This accountability indicator covers the delivery and staging of New Year's Day, Australia Day, Canberra Nara Festival and the Canberra Festival.
- This accountability indicator covers the economic activity generated for the Territory by staging Floriade. Visitor expenditure data is derived from face-to-face interviews conducted on site with a random sample of event attendees. The event's direct expenditure impact aims to capture the spending of all visitors that come to the ACT (or extend their stay) specifically for Floriade.
- This accountability indicator covers the economic activity generated for the Territory by staging the Enlighten Festival. Visitor expenditure data is derived from face-to-face interviews conducted on site with a random sample of attendees. The direct expenditure impact aims to capture the spending of international and interstate visitors that come to the ACT (or extend their stay) specifically for the Enlighten Festival.
- This accountability indicator was previously reported in Output 1.4 Land Management in the Territory and Municipal Services Directorate. The National Arboretum Canberra transferred to the Chief Minister, Treasury and Economic Development Directorate in the *Administrative Arrangements 2016 (No 1)* that took effect from 22 January 2016. Customer satisfaction is based on an annual survey undertaken towards the end of the financial year.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 8:** ECONOMIC DEVELOPMENT  
**Output 8.7:** Property Services

**Description:** ACT Property Group manages Territory-owned commercial buildings, government office accommodation, community/multipurpose buildings and leases commercial buildings on behalf of the Territory.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$84,653</b>	<b>\$130,176</b>	<b>54%</b>	This variance is mainly due to the impact of the transfer out of properties such as the Magistrates Court to the Justice and Community Safety Directorate and the transfer in of the minor works project team from Output 5.1: Procurement and Capital Works.

**GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)**

Accountability Indicator	\$0	\$0	0%
a. Use of Renewable Energy	5%	5%	0%
b. Occupancy rate for properties designated for use by non-government tenants	96%	94%	(2%)
c. Average square metres of office accommodation per employee	15.5	15.3	(1.3%)

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- Purchase of 7700MwH of GreenPower for 2015-16 was completed in June 2016. The measure is a percentage of Renewable Energy when compared to total electricity consumption arising from ACT Government activities.
- This accountability indicator measures the occupancy rate for properties designated for use by non-government tenants (community groups and commercial organisations) by calculating the percentage of occupied space against the total of available non-government space.
- This accountability indicator covers the amount of office space used per employee. The utilisation rate is the average net lettable area of office space measured on a square meter basis per employee in ACT Government owned and leased office accommodation that is being occupied by ACT Government agencies.

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**Output Class 8:** ECONOMIC DEVELOPMENT  
**Output 8.8:** Arts Engagement

**Description:** Supporting the development of the arts, encouraging community participation in and access to the arts through supporting artistic excellence and diversity, strengthening the sustainability of the arts, and promoting the capacity for arts to contribute to social and economic outcomes.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	\$12,629	\$13,295	5%	This variance is mainly due to a change in the notional allocation of corporate overhead, partially offset by a deferral of expenditure from 2015-16 to 2016-17 for the Kingston Visual Arts Hub project.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	\$11,003	\$11,303	3%	
<b>Accountability Indicator</b>				
a. Number of art organisations supporting community participation	25	26	4%	
b. Tenants satisfaction with management of Community Arts Facilities	85%	80%	(6%)	The slight variance reflects that there were only two respondents out of the small sample size of 10 were dissatisfied.

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- This accountability indicator measures the number of arts organisations supported by the ACT Arts Fund that have implemented the objectives of the ACT Arts Policy Framework. This indicator aims to facilitate community participation in and access to the arts, where art organisations through their programs provide opportunities for the community to engage in arts activities. This target is achieved at year end through the acquittal process and is assessed through a formal external peer assessment. This indicator is achieved once it is deemed satisfactory that art organisations have substantiated how they have supported community participation. artsACT supported 26 art organisations, all of which have achieved these objectives.

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- b. The annual survey measures the standard of service and assistance the community arts facility managers receive from artsACT. Community Arts Facilities include 13 arts facilities, which are managed by 11 property managers. The survey included Watson Arts Centre, The Street Theatre, Belconnen Arts Centre, Tuggeranong Arts Centre, Gorman and Ainslie Arts Centre, Strathnairn Homestead, Nissen Hut, Manuka Arts Centre, Canberra Contemporary Arts Space (Manuka), Canberra Glassworks, The Chapel and Former Transport Depot (including Megalo Print Studio + Gallery). The survey was conducted in the last quarter of the financial year and asked a series of questions relating to the satisfaction of the management of Community Arts Facilities. The result, calculated by the total number of satisfied respondents against the total number of respondents, was that 80% of the respondents were satisfied with the management of the arts facilities.

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The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 8:** **ECONOMIC DEVELOPMENT**

**Output 8.9:** Urban Renewal

**Description:** Urban Renewal is a key priority of the Government. Urban renewal will drive economic activity, improve the liveability of our city, build on the character of our communities and deliver sustainable development.

The urban renewal agenda is ambitious and spans many Directorates. The Coordinator-General, Urban Renewal will work across Directorates in order to deliver significant outcomes, including:

- delivering the asset recycling initiative;
- activating the Capital Metro corridor;
- delivering new (replacement) public housing; and
- progressing City to the Lake.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	\$16,616	\$9,048	(46%)	This variance is mainly due to the deferral of expenditure from 2015-16 to 2016-17 associated with the Better Public Housing Program, partially offset by a higher level of resources received free of charge for legal services.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	\$16,616	\$8,359	(50%)	This variance is mainly due to the rollover of funding from 2015-16 to 2016-17 associated with the Better Public Housing Program.
<b>Accountability Indicator</b>				
a. Asset Recycling Initiative	100%	100%	0%	
b. Public Housing Renewal Program	352	520	48%	This variance has occurred as the Public Housing Renewal Taskforce commenced processes for purchasing dwellings from Housing ACT and the private sector in addition to its own construction program.

The above Statement of Performance should be read in conjunction with the accompanying notes.

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**Notes**

- a. This accountability indicator covers the 19 sites included as part of the Commonwealth Government's Asset Recycling Initiative (ARI). The target measures the percentage of ARI sites for which due diligence, that is research or analysis undertaken in preparation for the release and sale of ARI sites to the market, has commenced. Due diligence on all ARI sites has commenced.
- b. This accountability indicator covers the delivery of the ACT Government's Public Housing Renewal Program and measures the number of replacement dwellings covered by new contracts in the target year. 520 dwellings were under contract as at 30 June 2016. This includes 379 dwellings under construction or 'Design and Construct' contracts in Monash, Nicholls, Amaroo, Moncrieff, Coombs, Chisholm and Denman Prospect, 38 dwellings for which Housing ACT was in contract and reimbursed, and 103 dwellings under contract (either at exchange or settled) following purchase through the public housing renewal Expression of Interest process. This means that the public housing renewal target of 352 dwellings under contract was exceeded by 168 dwellings.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 9:** LOOSE-FILL ASBESTOS INSULATION ERADICATION  
**Output 9.1:** Loose-fill Asbestos Insulation Eradication Scheme  
**Description:** The Asbestos Response Taskforce provides a coordinated and compassionate response to the lasting impacts of loose-fill asbestos in Canberra homes. It provides a single point of contact for those in the community affected by, or having concerns about, loose-fill asbestos. The Taskforce manages the delivery of the Loose-fill Asbestos Insulation Eradication Scheme. It also provides technical and regulatory advice to Government and the community in relation to asbestos.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	<b>\$60,210</b>	<b>\$66,048</b>	<b>10%</b>	This variance is mainly due to the impact of a deferral of expenditure from 2014-15 to 2015-16 and future years.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$123,561</b>	<b>\$110,307</b>	<b>(11%)</b>	This variance is mainly due to the transfer of funding from Government Payment for Output to Capital Injection and a rollover of funding from 2015-16 to 2016-17 due to a later than planned purchase of properties under the Loose-Fill Asbestos Insulation Eradication Scheme.
<b>Accountability Indicator</b>				
a. Undertake a program to provide advice and support to residents of properties affected by loose-fill asbestos insulation	1	1	0%	
b. Undertake a program to inform owners of 1,022 properties affected by loose-fill asbestos insulation of the buyback program under the Loose-fill Asbestos Insulation Eradication Scheme	1	1	0%	
c. Conduct and/or attend Community Forums/Meetings on Loose-fill Asbestos Insulation (health, management, demolition)	8	24	200%	Additional information events were held throughout the year due to community demand.
d. Continue to facilitate settlement of the surrender of properties under the Buyback program	1	1	0%	

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
e. Establish a process and commence the demolition of properties purchased under the Buyback Program	1	1	0%	
f. Establish a process and commence the sale of properties that have been eradicated of loose-fill asbestos insulation	1	1	0%	
g. Support the conduct of a health study of asbestos exposure in affected homes	1	1	0%	
h. Support the review of Guidelines for the safe removal of loose-fill asbestos insulation in residential properties and procedures for the safe demolition of affected properties	1	1	0%	
i. Develop laws and amending legislation to facilitate the efficient implementation of the Loose-fill Asbestos Insulation Eradication Scheme	4	5	25%	The Taskforce facilitated an additional legislative amendment during 2015-16.

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- a. This accountability indicator encompasses the Government's assistance program for owners/residents of properties containing loose-fill asbestos insulation, including establishment of a personal support team to facilitate direct client support and communication; and design and delivery of financial assistance measures. The Program will continue while there is demand in the community for this service.
- During 2015-16 the Taskforce:
- Provided in excess of \$3.2m in assistance funding.
  - Delivered more than 4,000 letters to affected home owners and neighbours of affected properties.
  - Doorknocked 630 neighbours of high rated clusters of affected properties providing the opportunity to discuss concerns face to face.
  - Hosted a Neighbour Day community celebration held in April 2016 in Kambah, with approximately 300 people attendance.
  - Held a drop-in information session at Curtin shops in May 2016 providing an opportunity for residents of Curtin and Lyons to discuss the demolition activity occurring in their suburb.

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- b. This accountability indicator encompasses an ongoing communication program to inform owners of properties containing loose-fill asbestos insulation about the ACT Government's Buyback and Demolition Program under the Loose-fill Asbestos Insulation Eradication Scheme. Information and frequently asked questions about participation in the Buyback and Demolition Program is included in the Taskforce e-newsletter, social media channels and on the Taskforce webpage. A key focus of communication activities in 2015-16 was informing and educating the broader community on the Demolition Program. The communication and support package will continue whilst there is demand in the community for this service.  
Details of the buyback program and the associated engagement activities can be found on the Asbestos Response Taskforce website. [www.asbestostaskforce.act.gov.au/voluntary-buyback-and-support](http://www.asbestostaskforce.act.gov.au/voluntary-buyback-and-support)
- c. This accountability indicator covers the design, development and delivery of community forums to provide information and advice on a range of topics relating to loose-fill asbestos insulation and the Loose Fill Asbestos Insulation Eradication Scheme (including at the invitation of community groups). In addition to general forums, specifically focussed events were arranged for groups with particular needs.  
Events held/attended during 2015-16 were:
  - 9 x Community Council Meetings.
  - 3 x Community Forums.
  - 2 x Community Meetings.
  - 2 x Drop-in Sessions.
  - 4x Parties at the Shops.
  - 2 x Asbestos Management Plans Information Sessions.
  - The Tuggeranong Festival.
  - The Kambah Neighbour Day Community Celebration.
- d. The Taskforce continued to acquire properties through the voluntary Buyback Program. This accountability indicator recognises the agreed delay between exchange on the deed of surrender for an affected property, and settlement of the surrender (at which point funds are released). At 30 June 2016 the Taskforce had taken possession of 882 properties.  
Details of the settlement and surrender of properties, and the associated engagement activities, can be found on the Asbestos Response Taskforce website. [www.asbestostaskforce.act.gov.au/voluntary-buyback-and-support](http://www.asbestostaskforce.act.gov.au/voluntary-buyback-and-support)
- e. This accountability indicator covers the establishment of a process, including contractual models and arrangements, for the taking possession of surrendered properties, removal of loose-fill asbestos insulation and subsequent demolition of affected structures on blocks acquired under the Buyback Program. This will involve working with key stakeholders across ACT Government (Economic Development, Procurement and Capital Works, ACT Property Group, WorkSafe ACT, ACT NoWaste, Roads ACT and Environment and Planning Directorate). The Taskforce has released details of houses scheduled for demolition through to mid-2018. The demolition program has commenced, with 234 properties demolished by 30 June 2016.  
Details of the demolition program, associated fact sheets and engagement activities can be found on the Asbestos Response Taskforce website. [www.asbestostaskforce.act.gov.au/demolition](http://www.asbestostaskforce.act.gov.au/demolition)
- f. This accountability indicator covers the establishment of processes around raising crown leases, valuation, sale and settlement of remediated blocks. By 30 June 2016, remediation of 150 properties had been confirmed. The Territory Government has exchanged sales contracts on 36 properties and settled 11 at 30 June 2016.

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Details of the sales program, associated fact sheets and engagements activities can be found on the Asbestos Response Taskforce website.

[www.asbestostaskforce.act.gov.au/resale](http://www.asbestostaskforce.act.gov.au/resale)

- g. This accountability indicator covers the provision of financial support to ACT Health to facilitate the conduct of a health study of asbestos exposure in affected homes. The Taskforce, in conjunction with the Australian National University's National Centre for Epidemiology and Population Health, is facilitating the 'ACT Asbestos Health Study'. The purpose of the ACT Asbestos Health Study is to gain additional understanding regarding the risk of developing mesothelioma from living in a house containing loose-fill asbestos. The first part of the four part study, a descriptive analysis of mesothelioma rates and distribution in the ACT, was released on 14 September 2015. The information gathered in this part of the study will feed into the next three parts. It is anticipated that results from the Health Study will not be available until 2017-18.
- h. The Taskforce is working with key stakeholders across ACT Government to ensure the demolition of affected properties is conducted safely and efficiently. Information can be found on the Asbestos Response Taskforce website. [www.asbestostaskforce.act.gov.au/safety-and-regulation](http://www.asbestostaskforce.act.gov.au/safety-and-regulation)
- i. This accountability indicator covers the development of legislation, amendments, instruments and codes to facilitate the implementation of the Scheme. The measure will be considered complete on introduction of amendments in the Legislative Assembly or notification of regulations and instruments on the ACT Legislation Register.

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The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

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**Output Class 10: ACCESS CANBERRA**  
**Output 10.1: Access Canberra**

**Description:** Access Canberra was established to shape the delivery of services around businesses, community groups and individuals seeking to engage with the ACT Government to enable a 'no wrong door' approach. Access Canberra aims to set a new benchmark for integrated and seamless service; with staff working together, and with the community, to support businesses to flourish while still providing the appropriate level of community protection.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
<b>TOTAL COST (\$'000)</b>	\$88,259	\$95,621	8%	This variance is mainly due to increases in employee related costs as a result of a higher level of demand for services, including Working with Vulnerable People checks.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	\$74,753	\$97,611	31%	This variance is mainly due to the payment of accrued expenses from 2014-15 (largely related to the reimbursements to other directorates associated with the Administrative Arrangements of that year), and an increase in demand for Working with Vulnerable People checks.

**Accountability Indicator**

a. Effective Service Delivery				
- (i) Number of Interactions with Access Canberra	14.2 million	12.6 million	(11%)	The number of website visits was overestimated when initially establishing targets for Access Canberra.
- (ii) Average cost per interaction	\$7.75	\$6.16	(21%)	Costings per transaction were over-estimated when initially establishing targets for Access Canberra.
b. Efficient Service Delivery				
- (i) Percentage of Customers satisfied with Access Canberra	90%	87%	(3%)	
- (ii) Percentage of services delivered online	50%	53%	6%	A continued focus on digitising services has led to a better than expected result.

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	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target 2015-16	Explanation of Material Variances (+/- 5%)
c. Doing Business in the ACT is easier				
- Percentage of the Canberra community satisfied with the ease of interacting with Access Canberra	85%	95%	12%	Changes to work practices within Access Canberra, including combined inspections and reduced regulatory burden, has resulted in a more positive result than expected.
d. Healthier and Safe Community				
- (i) Number of inspections conducted by Access Canberra	95,000	106,480	12%	Working with Vulnerable People registration inspections were higher than forecast.
- (ii) Compliance at time of inspection	90%	96%	7%	A focus on educating industry has helped achieve a better than forecast result.
- (iii) Percentage of license applications processed within service standard timeframes	95%	89%	(6%)	A greater than expected volume of Working with Vulnerable People applications has led to a slight decline in meeting processing timeframes.

The above Statement of Performance should be read in conjunction with the accompanying notes.

**Notes**

- a. (i) The number of interactions with Access Canberra is measured across the financial year. This accountability indicator measures the number of interactions with the Canberra community by Access Canberra. Interactions can be a face to face, telephone, email, electronic feedback or on-line.  
(ii) This accountability indicator is an annual measure of the effectiveness of Access Canberra in providing services to the Canberra Community. Average cost is the annual direct expenditure of Access Canberra divided by the number of interactions calculated in indicator a. (i).
- b. (i) The customer satisfaction result is determined by the responses to an independent annual survey of the Canberra Community. The survey is a measure of the awareness, attitudes, behaviour and customer satisfaction of/with Access Canberra's corporate identity, channels and services. The survey was undertaken in period from January to June 2016.  
(ii) This accountability indicator is an annual measure of the success of Access Canberra in supporting the Digital Canberra initiative. Services delivered on-line are defined as interactions that can be conducted (at least in part) via the internet/portals. Measurement will be reported by both percentage of number of services and percentage of volume of services performed.
- c. The satisfaction with ease of interacting result is determined by the responses to an independent annual survey of the Canberra Community. The survey is a measure of the awareness, attitudes, behaviour and customer satisfaction of/with Access Canberra's corporate identity, channels and services. The survey was undertaken in period from January to June 2016.

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- d. (i) This accountability indicator is an indication of the activities undertaken by Access Canberra to build industry and community awareness, capability and compliance. This is achieved annually through inspections under legislation administered by Access Canberra in order to maintain and enhance community confidence in available services. Inspections include inspections, audits and investigations.
- (ii) This accountability indicator is a measure of annual compliance with relevant regulations, legislation etc. The result is based on a random sample of identified industries within Access Canberra.
- (iii) This accountability indicator indicates the time taken to assess and issue licensing for regulated activities. The accountability indicator is calculated annually and is calculated from receipt of complete and correct paperwork from applicant through to approval/issuance.

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