

NSW Treasury

Financial Reporting Code for NSW General Government Sector Agencies

TPG25-03

20 March 2025

Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork:

Regeneration by Josie Rose



Contents

Purpose.....	7
Overview.....	7
Related legal obligations.....	8
Summary of Requirements.....	8
Structure of the Code.....	9
Financial Statements.....	11
Statement of Comprehensive Income for the year ended 30 June 2025.....	11
Statement of Financial Position as at 30 June 2025.....	14
Statement of Changes in Equity for the year ended 30 June 2025.....	18
Statement of Cash Flows for the year ended 30 June 2025.....	21
Notes to the financial statements.....	26
1. Statement of Material Accounting Policy Information.....	27
2. Expenses Excluding Losses.....	33
3. Revenue.....	38
4. Gains / (Losses) on Disposal.....	54
5. Other Gains / (Losses).....	55
6. Conditions and Restrictions on Income of Not-for-Profit Entities.....	56
7. Prior Period Errors.....	57
8. Transfer Payments.....	57
9. Disaggregated disclosure statements for the year ended 30 June 2025 – (Note subject to confirmation for FY2024-25).....	58
10. Current Assets – Cash and Cash Equivalents.....	66
11. Current / Non-Current Assets – Receivables.....	67
12. Contract Assets and Liabilities.....	70
13. Current / Non-Current Assets – Inventories.....	73
14. Current / Non-Current – Financial Assets at Fair Value.....	74
15. Current / Non-Current – Other Financial Assets.....	79
16. Property, Plant and Equipment.....	82
17. Investment Property.....	92
18. Leases.....	95
19. Intangible Assets.....	103
20. Current / Non-Current – Other assets.....	105
21. Non-Current Assets (or Disposal Groups) Held-for-Sale.....	105
22. Fair value measurement of non-financial assets.....	106
23. Restricted Assets.....	109
24. Current Liabilities – Payables.....	110
25. Current / Non-Current Liabilities – Borrowings.....	112
26. Current / Non-Current Liabilities – Provisions.....	118

27.	Current / Non-Current Liabilities – Other liabilities	123
28.	Equity.....	124
29.	Commitments.....	127
30.	Contingent Liabilities and Contingent Assets.....	127
31.	Budget Review	128
32.	Reconciliation of Cash Flows from Operating Activities to Net Result.....	129
33.	Non-cash Financing and Investing Activities.....	129
34.	Trust Funds.....	129
35.	Administered Assets and Liabilities.....	130
36.	Financial Instruments.....	131
37.	Related Party Disclosures.....	145
38.	Events after the Reporting Period	147
Appendices.....		148
Appendix A	Definitions.....	149
Appendix B	Key references and acronyms	150
Appendix C	Current Treasurer’s Directions, Treasury Circulars, Policy and Guidelines Papers on accounting policy matters.....	151
Appendix D	Main changes in the Financial Reporting Code for NSW General Government Sector Entities (TPG25-03) compared to the previous version TPG24-05.....	153
Appendix E	Frequently Asked Questions - Appropriations.....	154
Appendix F	Proforma disclosure on parliamentary appropriations.....	160
Appendix G	Guidance for determining whether accounting policy information is material ..	164

Key information	
Treasury Policy and Guidelines (TPG) is relevant to?	<input type="checkbox"/> GSF Agencies <input checked="" type="checkbox"/> General Government Sector <input type="checkbox"/> Public non-financial corporation <input type="checkbox"/> Public financial corporation <input type="checkbox"/> State Owned Corporations <input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Executive agencies related to Departments
	<input checked="" type="checkbox"/> Subsidiaries of the NSW Government established under the Corporations Act 2001
Date issued	20 March 2025
Review date	31 March 2026
<input checked="" type="checkbox"/> Replaces <input type="checkbox"/> Replaced by	TPG 24-05 Financial Reporting Code for NSW General Government Sector Entities
Issuing/Publishing entity	NSW Treasury
Related instrument(s)	TPG 25-02 Mandates of Options and Major Policy Decisions
Document approver	Andy Hobbs, Executive Director Financial Stewardship and Public Reporting
Contact	Accounting Policy, NSW Treasury accpol@treasury.nsw.gov.au
Document contains	
	<input type="checkbox"/> MANDATORY POLICY compliance set out by NSW Treasury.
	<input checked="" type="checkbox"/> RECOMMENDED POLICY reflecting best practice standards.
	<input type="checkbox"/> GUIDANCE/ADDITIONAL INFORMATION to provide clarity or explain requirements in detail.

Revision history				
Document version number	Approval Date	Author	Approver	Description

Purpose

The Financial Reporting Code for NSW General Government Sector Entities (the Code) sets out the financial reporting framework for all New South Wales General Government Sector (NSW GGS) entities. The Code provides a model financial reporting framework which promotes consistency across the NSW GGS. The Consolidated Financial Statements of New South Wales report on the General Government Sector (GGS) entities and the Total State Sector. Similarly, the NSW Budget Papers focus on the GGS.

The Code is not mandatory in its entirety and NSW GGS entities can tailor the model to their individual circumstances. However, financial reports must be prepared in accordance with Australian Accounting Standards (AAS) and Treasury requirements, including annual *Treasury Policy and Guidelines on Mandates of options and major policy decisions under AAS*.

Overview

The Code sets out the financial reporting framework for NSW GGS entities. It provides illustrative guidance on the form and content of the financial statements, including the note disclosures.

The Code is appropriate for all NSW GGS entities that prepare general purpose financial statements in respect of financial years ending on or after 30 June 2025. Special purpose staff agencies should refer to Treasury Policy and Guidelines TC15-07.

The Code incorporates the disclosure requirements of Australian Accounting Standards (AAS) applicable to NSW GGS entities, and includes references to various accounting standards, Treasury Circulars and Treasury Policy and Guidelines Papers. The Code does not reflect all accounting standard disclosure requirements; rather, it illustrates those accounting standards that are typically relevant to a GGS entity. Where an accounting standard or Treasury Policy requires a disclosure not covered by the Code, NSW GGS entities must also include this disclosure in the financial statements.

The Code generally does not contemplate a group structure/consolidation. Therefore, if preparing consolidated financial statements, please refer to the relevant accounting standards to understand the reporting and disclosure requirements. Some references to a consolidated entity have been included to provide pointers for those agencies required to prepare consolidated financial statements.

This edition of the Code supersedes the previous version, issued as NSW Treasury Policy and Guidelines Paper TPG 24-05.

The main changes to the Code are summarised in Appendix D. Agencies should also consider emerging financial reporting issues when preparing financial reports. For example:

- The impact of climate-risks is becoming more significant for organisations. In preparing financial statements, agencies should consider climate related matters, if the effect of climate risk is material. Refer to Treasury *Guidance on how to reflect the effects of climate-related matters in financial statements* issued in March 2021. Agencies should disclose information that users would consider to be material. Phase 1 entities will commence preparing climate-related financial disclosures in 2024-25. Data and assumptions used in preparing climate-related financial disclosures should be consistent with those used in preparing the related financial statements to the extent possible.
- Prompts have been added throughout the FRC to assist the disclosure of material accounting policy information in accordance with AASB 101 *Presentation of Financial Statements* (AASB 101). Changes introduced by AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (AASB 2021-2) should be considered in assessing whether accounting policy disclosures can be rationalised. AASB 101 does not require accounting policy information that is immaterial to be disclosed. Appendix G provides detailed

guidance on how to assess whether accounting policy information is material. Regardless, descriptions of accounting policies should be assessed from the context of the user of the financial statements. For example, it may be appropriate to include accounting policy information that is immaterial together with information that is material, in order for the overall disclosure to make sense.

- The disaggregated disclosures requirements for 2024-25 are subject to confirmation. Treasury will issue communications either advising the existing requirements remain unchanged or outlining any changes to requirements, once confirmed.

The references provided are correct at the time of publishing this document, however, some Treasury Circulars and Policy and Guidelines papers may be superseded before financial year end. References to Treasury Circulars or Policy and Guidelines papers in this document should be read as references to the replacement documents where applicable. A list of some directly relevant policies are provided at Appendix C. However, agencies should refer to the Document and Resources library on the NSW Treasury website for the latest Circulars and Policy Papers www.treasury.nsw.gov.au.

Entities may obtain further information concerning the operation of the Code from Treasury's Accounting Policy section.

Related legal obligations

In preparing the annual financial statements, NSW GGS entities must comply with the *Government Sector Finance Act 2018* (GSF Act), AAS and mandatory NSW Treasury accounting publications. The Code as a model is not mandatory and is not required to be referenced in the basis of preparation.

In accordance with AAS and the GSF Act, financial statements must present fairly the financial position, financial performance and cash flows of the entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definition and recognition criteria for assets, liabilities, income and expenses. Applying AAS (in conjunction with the GSF Act and NSW Treasury accounting policies), with additional disclosure when necessary, should result in financial statements that achieve a fair presentation.

In the absence of a specific accounting standard, NSW GGS entities should consider the hierarchy of pronouncements as outlined in AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (AASB 108).

The *Government Sector Finance Act 2018* (GSF Act)

The GSF Act was enacted in November 2018, and parts of the GSF Act commenced on 1 December 2018. Financial reporting provisions commenced on 1 July 2021. Financial reports prepared on or after that date are required to comply with Part 7 of the GSF Act. For more information, please refer to NSW Treasury's GSF Act website.

Summary of Requirements

Recommendation

- The Financial Reporting Code for the NSW General Government Sector Entities sets out the financial reporting framework to assist entities to meet mandatory requirements under the Australian Accounting Standards and Treasury requirements. NSW GGS entities should tailor the model to their individual circumstances.

Structure of the Code

The Code provides a model format for the financial statements and the accompanying notes. The Code also provides extensive commentary (text boxes) to assist in the preparation of the financial statements.

The Code incorporates key mandatory disclosure requirements of AAS specifically applicable to NSW GGS entities. It is not the intention of the Code to reflect all AAS disclosure requirements. Where an AAS requires a disclosure not covered by the Code, entities must include the disclosure in the notes to the financial statements.

The Code is not intended to cover reporting requirements of Public Non-financial Corporations and Public Financial Corporations, including State Owned Corporations. The reason is that these entities have their own reporting framework, that is different to GGS entities in terms of presentation of financial statements, accounting policies applied and disclosure requirements. Examples of items only relevant for all or some GGS entities are: budget information presented in the financial statements under AASB 1055 *Budgetary Reporting*, administered items under AASB 1050 *Administered Items*, disaggregated disclosure statements under AASB 1052 *Disaggregated Disclosures*.

The Code provides a cross reference to certain Accounting Standards and NSW Treasury requirements by listing the relevant references adjacent to the disclosure items and the related commentary.

Entities may also include additional disclosures in the following instances:

- Additional details relating to the components of items within a prescribed note. The details should appear beneath the prescribed note.
- Additional disclosures required by an accounting standard, but not covered by the Code. These note disclosures should appear with the related subject matter.
- Further note disclosures on matters of particular relevance to the entity. These note disclosures should appear with the related subject matter.

The structure of the Code is as follows:

- Financial statements:
 - Statement of comprehensive income
 - Statement of financial position
 - Statement of changes in equity
 - Statement of cash flows
- Accompanying notes:
 - Statement of material accounting policy information
 - Other note disclosures
- Appendices:
 - Definitions
 - Key References
 - Current Treasury Circulars / Policy and Guidelines Papers on Accounting Policy Matters
 - Main changes compared to the previous version of the Code (TPG24-05)
 - Frequently Asked Questions – Appropriations
 - Proforma disclosure on parliamentary appropriations
 - Guidance for determining whether accounting policy information is material

Each set of note disclosures is accompanied by a commentary section.

In preparing the material accounting policy information, each entity must review its own circumstances, taking into account the requirements in AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The Code is primarily a disclosure document. Although it discusses various AAS, NSW Treasury Circulars and Policy and Guidelines papers, the Code does not incorporate the requirements of all AAS, NSW Treasury Circulars and Policy and Guidelines papers.

Unless otherwise stated, references in the Code to AASs are references to currently operative Accounting Standards.

Entities must not early adopt new AAS, unless otherwise determined by NSW Treasury

Financial Statements

Statement of Comprehensive Income for the year ended 30 June 2025

AASB 101.49 AASB 101.10(b)(ea) AASB 101.10A AASB 101.51(c) AASB 1055.6(b)(e) AASB 101.113 AASB 101.51(d)(e)		Budget 2025 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
	Notes			
AASB 101.81A	Continuing operations			
	Expenses excluding losses			
AASB 101.99, 102	Employee-related expenses	2(a)		
AASB 101.99, 102	Operating expenses	2(b)		
AASB 101.99, 102	Depreciation and amortisation	2(c)		
AASB 138.118(d)	Grants and subsidies	2(d)		
AASB 101.99, 102	Finance costs	2(e)		
AASB 101.82(b)	Other expenses	2(f)		
AASB 101.99, 102	Total expenses excluding losses			
	Revenue			
AASB 1058.26(c)	Appropriation	3(a)		
AASB 1004.43A	(Transfers to the Crown)	3(b)		
AASB 15.113(a)	Sale of goods and services from contracts with customers	3(c)		
AASB 101.85	Investment revenue	3(d)		
AASB 101.85	Retained taxes, fees and fines	3(e)		
AASB 1058.26(a)	Grants and other contributions	3(f)		
AASB 1004.43A	Acceptance by the Crown of employee benefits and other liabilities	3(g)		
AASB 101.85	Other income	3(h)		
AASB 101.82(a)	Total revenue			
AASB 101.85	Operating result			
AASB 101.85	Gains / (losses) on disposal	4		
AASB 101.82(ba)	Impairment losses on financial assets			
AASB 101.82(aa)	Net gains / (losses) from the derecognition of financial assets measured at amortised cost			
AASB 101.85	Other gains / (losses)	5		
AASB 101.85	Net result from continuing operations			
AASB 101.82(ea) AASB 5.33(a)	Net result from discontinued operations			
AASB 101.81A(a)	Net result			
	Other comprehensive income			
AASB 101.82A(a)(i)	<i>Items that will not be reclassified to net result in subsequent periods</i>			
AASB 116.39	Changes in revaluation surplus of property, plant and equipment			
Interpretation 1.6(d)	Changes in revaluation surplus arising from changes in restoration liability			
AASB 7.20(a)(vii) AASB 9.B5.7.1	Net gains / (losses) on equity instruments at fair value through other comprehensive income			
AASB 101.85	Others [specify]			
AASB 101.82A(a)(ii)	<i>Items that may be reclassified to net result in subsequent periods</i>			
AASB 7.20(a)(viii) AASB 9.B5.7.1A	Debt instruments at fair value through other comprehensive income			
AASB 7.20(a)(viii)	- Net gains / (losses) during the period			
AASB 101.92	- Reclassified to net result			
AASB 101.85	Others [specify]			
AASB 101.81A(b)	Total other comprehensive income			
AASB 101.81A(c)	TOTAL COMPREHENSIVE INCOME			

The accompanying notes form part of these financial statements.

Commentary on Statement of Comprehensive Income

Format of Statement of Comprehensive Income

AASB 101.81A	1. AASB 101 sets out the format for the Statement of Profit or Loss and Other Comprehensive Income (referred to in the Code as the Statement of Comprehensive Income), including certain line items entities must disclose on the face of the Statement of Comprehensive Income: revenue; gains and losses arising from the derecognition of financial assets measured at amortised cost; finance costs; impairment losses determined in accordance with Section 5.5 of AASB 9; share of the net result of associates and joint ventures accounted for using the equity method; net result; items of other comprehensive income classified by nature; share of any other comprehensive income of associates and joint ventures accounted for using the equity method; and total comprehensive income.
AASB 101.82	
AASB 101.82A	
AASB 101.82A	2. Line items in the other comprehensive income section must be grouped into those that, in accordance with other Australian Accounting Standards (AAS): <ul style="list-style-type: none"> • will not be reclassified to net result; and • will be reclassified to profit or loss when specified conditions are met.
AASB 101.7	Total comprehensive income is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners.
Treasury Mandates	3. NSW Treasury mandates a single Statement of Comprehensive Income for all NSW GGS entities.
AASB 101.85-86	4. Additional line items, headings and subtotals shall be presented in the Statement of Comprehensive Income when such presentation is relevant to an understanding of the entity's financial performance. The Code includes certain specific additional line items in the pro forma Statement of Comprehensive Income. In NSW, the inclusion of any other new line items on the face of the Statement of Comprehensive Income not already prescribed by AAS (see para 5 below) will no longer require an exemption from the Treasurer. However, GGS entities are encouraged to follow the format of the Code to promote consistency in financial reporting across NSW.
AASB 101.81B	5. AASB 101 requires the following additional line items to be included in the Statement of Comprehensive Income: <ul style="list-style-type: none"> • profit or loss attributable to: <ul style="list-style-type: none"> ○ non-controlling interest and ○ owners of the parent; and • comprehensive income attributable to: <ul style="list-style-type: none"> ○ non-controlling interest and ○ owners of the parent. <p>In general, these disclosures are not applicable to GGS entities. Where they are applicable and material, entities must include these line items on the face of the Statement of Comprehensive Income.</p>
AASB101.82(a)	6. Consequential amendments made to AASB 101 to reflect the adoption of AASB 9 now require the separate presentation of the following line items in the Statement of Comprehensive Income: <ul style="list-style-type: none"> • interest revenue calculated using the effective interest rate method • gains and losses from the derecognition of financial assets measured at amortised cost • impairment losses, including reversals of impairment losses or impairment gains • gains and losses recognised as a result of a reclassification of financial assets at amortised cost to fair value through profit or loss • gains and losses reclassified from other comprehensive income as a result of a reclassification of financial assets at fair value through other comprehensive income to fair value through profit or loss. <p>Depending on materiality, it may not always be necessary to present these items separately in the statement of comprehensive income. Agencies also have the option to disclose a further breakdown of the above items by financial asset category (except for interest revenue which is required to be presented by financial asset category under 'investment revenue') in Note 5 or Note 36.</p>
AASB101.82(aa)	
AASB101.82(ba)	
AASB101.82(ca)	
AASB101.82(cb)	
AASB 101.29, 99 Treasury Mandates	7. Entities must classify all expenses either according to their nature or according to their function and must disclose the amount in each (material) class on the face of the Statement of Comprehensive Income or in the notes. Expenses are required to be presented on the basis of their nature.
AASB 101.97	When items of income and expenses are material, their nature and amount shall be disclosed separately either in the Statement of Comprehensive Income or in the notes to the financial statements.

Expenditure classification and disclosure

Commentary on Statement of Comprehensive Income	
	Offsetting
AASB 101.32, 34-35	8. Entities must not offset income and expenses unless required or permitted by an AAS. Examples of items that must be offset include gains and losses on disposal of non-current assets, including investments and operating assets. Also, expenses relating to a provision that is expected to be reimbursed by another entity may be presented net of the amount recognised for reimbursement.
AASB 137.54	
	Material Items
AASB 101.97	9. Entities shall disclose material items of income and expense separately, either on the face of the Statement of Comprehensive Income or in the notes.
AASB 101.87	Entities shall not present any items of income and expense as extraordinary items, either in the Statement of Comprehensive Income or in the notes.
	Proceeds on sale of assets
Treasury Mandates	10. Where an entity must remit either all or a portion of the proceeds on sale of assets to the Crown, such remittances must be included in 'transfers to the Crown' after the line item 'appropriation' in the Statement of Comprehensive Income.
	Net result
AASB 101.88	11. Entities must include all items of income and expense recognised in a period in profit or loss (i.e. net result) unless an AAS requires otherwise (e.g. revaluation surplus under AASB 116 <i>Property, Plant and Equipment</i>).
	Personnel services
TC15-07	12. For entities impacted by TC15-07 regarding employment arrangements, the face of the Statement of Comprehensive Income must disclose, where applicable: <ul style="list-style-type: none"> • entity receiving personnel services (i.e. statutory body) – additional line item under 'Operating expenses' for 'Personnel services' • entity providing personnel services [i.e. a public service agency under the Government Sector Employment Act 2013 (GSE Act)] – additional line item under 'Revenue' for 'Personnel services revenue' <p>A personnel service entity is referred to as a Staff Agency under the GSE Act.</p>
	Other comprehensive income
AASB 101.7	13. The components of other comprehensive income include (not inclusive): <ul style="list-style-type: none"> • changes in revaluation surplus • gains or losses on remeasuring financial assets at fair value through other comprehensive income • fair value changes on financial liabilities at fair value through profit or loss related to the entity's own credit risk • remeasurements of defined benefit plans (where appropriate).
AASB 101.92-94	14. The entity shall disclose reclassification adjustments relating to items of other comprehensive income, either in the Statement of Comprehensive Income or in the notes. A reclassification adjustment is included with the related items of other comprehensive income in the period that the adjustment is reclassified to net result.
AASB 101.95-96 AASB 9.5.7.10 AASB 9.B5.7.1	15. Reclassification adjustments arise, for example, on derecognition of debt instruments at fair value through other comprehensive income. They do not arise on changes in revaluation surplus nor on the derecognition of equity instruments at fair value through other comprehensive income.

Statement of Financial Position as at 30 June 2025

AASB 101.10(a)(ea)(f) AASB 101.49 AASB 101.51(c) AASB 101.54-80 AASB 1055.6(a)(e)					
AASB 101.113 AASB 101.51(d)(e)		Notes	Budget 2025 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
ASSETS					
Current Assets					
AASB 101.60, 66	Cash and cash equivalents	10			
AASB 101.54(i)	Receivables	11			
AASB 15.105	Contract assets	12			
AASB 101.54(h)	Inventories	13			
AASB 101.54(g)	Financial assets at fair value	14			
AASB 101.54(d)	Other financial assets	15			
AASB 101.54(d)	Other current assets	20			
AASB 101.54(j) AASB 5.38	Non-current assets held-for-sale	21			
Total Current Assets					
Non-Current Assets					
AASB 101.60	Receivables	11			
AASB 15.105	Contract assets	12			
AASB 101.54(g)	Inventories	13			
AASB 101.54(d)	Financial assets at fair value	14			
AASB 101.54(d)	Other financial assets	15			
	Property, plant and equipment	16			
AASB 101.78a	- Land and buildings				
AASB 101.78a	- Plant and equipment				
AASB 101.78a	- Infrastructure systems				
AASB 101.54(a)	Total property, plant and equipment				
AASB 101.54(b)	Investment property	17			
Treasury Mandate	Right-of-use assets	18			
AASB 101.54(c)	Intangible assets	19			
AASB 101.55	Other non-current assets	20			
Total Non-Current Assets					
Total Assets					
LIABILITIES					
Current Liabilities					
AASB 101.60, 69	Payables	24			
AASB 15.105	Contract liabilities	12			
AASB 101.54(m)	Borrowings	25			
AASB 7.8 (e)(g)	Provisions	26			
AASB 101.54(l)	Other current liabilities	27			
AASB 101.54(p) AASB 5.38	Liabilities associated with non-current assets held-for-sale	21			
Total Current Liabilities					
Non-Current Liabilities					
AASB 15.105	Contract liabilities	12			
AASB 101.54(m)	Borrowings	25			
AASB 7.8 (e)(f)	Provisions	26			
AASB 101.54(l)	Other non-current liabilities	27			
Total Non-Current Liabilities					
Total Liabilities					
Net Assets					
AASB 101.54(r), 78(e)	EQUITY	28			

AASB
101.10(a)(ea)(f)
AASB 101.49
AASB 101.51(c)
AASB 101.54-80
AASB 1055.6(a)(e)

AASB 101.113
AASB 101.51(d)(e)

	Budget 2025 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Notes			

	Accumulated funds			
	Reserves			
AASB 5.38	Amounts recognised in equity relating to non-current assets held-for-sale	21		
	Total Equity			

The accompanying notes form part of these financial statements.

Commentary on Statement of Financial Position

Presentation of assets and liabilities

AASB 101.60 Treasury Mandates	1. AASB 101 requires the current / non-current presentation of assets and liabilities unless the liquidity presentation provides more relevant and reliable information. However, Treasury requires NSW GGS entities to adopt the current / non-current presentation.
AASB 101.32 AASB 132.42	2. Assets and liabilities must not be offset, unless an AAS requires or permits offsetting. An entity shall only offset a financial asset and financial liability and present the net amount in the Statement of Financial Position when the entity has a legally enforceable right to offset the recognised amounts and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
AASB 101.66 AASB 101.69	3. The terms 'current asset' and 'current liability' are those items an entity: <ul style="list-style-type: none"> • expects to realise (or settle) in the entity's normal operating cycle; • holds primarily for the purpose of trading; • expects to realise (or settle) within twelve months after the reporting period (including AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> 'held for sale' assets and liabilities); • classifies as cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period; or • for a liability, does not have the right to defer settlement thereof for at least twelve months after the reporting period.
AASB 101.72B	An entity's right to defer settlement of a liability arising from a loan arrangement for at least twelve months after the reporting period may be subject to the entity complying with conditions specified in that loan arrangement (hereafter referred to as 'covenants'). For the purposes of applying paragraph 69(d), such covenants: <ul style="list-style-type: none"> • affect whether that right exists at the end of the reporting period if an entity is required to comply with the covenant on or before the end of the reporting period. Such a covenant affects whether the right exists at the end of the reporting period even if compliance with the covenant is assessed only after the reporting period. • do not affect whether that right exists at the end of the reporting period if an entity is required to comply with the covenant only after the reporting period.
AASB 101.76B	Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if, applying AASB 132 Financial Instruments: Presentation, the entity classifies the option as an equity instrument, recognising it separately from the liability as an equity component of a compound financial instrument.
AASB 101.68, 70, 71 Treasury Mandates	4. When an entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months. In NSW, public sector entities generally adopt a 12-month operating cycle. Where an entity intends to adopt a longer time period, they must notify NSW Treasury immediately.
AASB 101.72, 73	5. Financial liabilities shall be categorised as current when they are due to be settled within 12 months of the reporting period, even if: <ul style="list-style-type: none"> • the original term was for a period longer than 12 months; and • an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorised for issue.
AASB 101.72A	An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
AASB 101.74	In classifying a liability as current or non-current, certain events after the reporting period are

Commentary on Statement of Financial Position

	<p>ignored. For example, an entity classifies a liability as 'current' where a long-term covenant is breached on or before the end of the reporting period even if, after the end of the reporting period and before the financial statements are authorised for issue, the lender has agreed not to demand payment.</p>
AASB 101.73	<p>However, if an entity has the right, at the end of the reporting period, to roll over an obligation for at least 12 months after the reporting period under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. If the entity has no such right, the entity does not consider the potential to refinance the obligation and classifies the obligation as current.</p>
AASB 101.74	<p>When an entity breaches a covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender has agreed, after the reporting period, and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.</p>
AASB 101.75	<p>However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.</p>
AASB 101.75A	<p>Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. If a liability meets the criteria in paragraph 69 for classification as non-current, it is classified as non-current even if management intends or expects the entity to settle the liability within twelve months after the reporting period, or even if the entity settles the liability between the end of the reporting period and the date the financial statements are authorised for issue. However, in either of those circumstances, the entity may need to disclose information about the timing of settlement to enable users of its financial statements to understand the impact of the liability on the entity's financial position (see paragraphs 17(c) and 76(d)).</p>
AASB 101.76	<p>If the following events occur between the end of the reporting period and the date the financial statements are authorised for issue, those events are disclosed as non-adjusting events in accordance with <i>AASB 110 Events after the Reporting Period</i>:</p> <ul style="list-style-type: none"> • refinancing on a long- term basis of a liability classified as current; • rectification of a breach of a long-term loan arrangement classified as current; • the granting by the lender of a period of grace to rectify a breach of a long- term loan arrangement classified as current; and • settlement of a liability classified as non-current.
AASB 101.10(f)	<p>6. An additional Statement of Financial Position is required in the Statement of Financial Position as at the beginning of the preceding period only when an entity:</p>
AASB 101.40A-44	<ul style="list-style-type: none"> • applies an accounting policy retrospectively; • makes a retrospective restatement; e.g. the correction of an error or • reclassifies items in the financial statements; <p>and the retrospective application, retrospective restatement or reclassification has a material effect on the information in the Statement of Financial Position at the beginning of the preceding period.</p>
AASB 101.41-44	<p>When an entity is required to present an additional Statement of Financial Position, it must disclose the information required by paragraphs 41-44 of</p>
AASB 108.28, 29, 49	<p>AASB 101 (disclosures regarding reclassifications of comparative amounts) and AASB 108 (paras 28, 29 and 49). However, an entity is not required to present the related notes to the opening Statement of Financial Position as at the beginning of the preceding period.</p>
AASB 5.40	<p>7. An entity shall not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the Statements of Financial Position for prior periods to reflect the classification in the Statement of Financial Position for the latest period presented.</p>
	<p>Disclosures on the face of the Statement of Financial Position</p>
AASB 101.29, 54-55, 77	<p>8. Entities must disclose certain classes of items separately on the face of the Statement of Financial Position. In addition, an entity must disclose, either on the face of the Statement of Financial Position or in the notes, further sub-classifications of the line items presented, classified in a manner appropriate to the entity's operations.</p>
	<p>AASB 15 Revenue from Contracts with Customers</p>

Commentary on Statement of Financial Position	
AASB 15.105	<p>9. AASB 15 requires the presentation of a contract in the statement of financial position as a contract asset or a contract liability. For any unconditional rights to consideration, the entity shall present them as a receivable separately from contract assets (Refer Note 11).</p> <p>AASB 16 Leases</p>
AASB 16.47(a) Treasury Mandates	<p>10. AASB 16 allows entities to either present right-of-use assets separately in the statement of financial position, or include right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned, and disclose which line items in the statement of financial position include those right-of-use assets. Agencies are mandated to present right-of-use assets that do not meet the definition of investment property separately in the statement of financial position – i.e. as a separate financial statement line item.</p>
AASB 16.48	<p>11. Right-of-use assets that meet the definition of investment property are presented within 'investment property'.</p>
AASB 16.47(b)	<p>12. Lease liabilities should be either presented separately in the statement of financial position or disclosed separately in the notes to the financial statements.</p> <p>AASB 1059 Service Concession Arrangements: Grantors</p>
AASB 1059.29	<p>13. AASB 1059 allows entities to either present service concession assets as a subset of a class of assets disclosed in accordance with AASB 116 or AASB 138, or include service concession assets in more than one class of assets disclosed in accordance with AASB 116 or AASB 138. Entities should decide the basis of classification depending on size, nature and function of the amounts involved.</p>

Statement of Changes in Equity for the year ended 30 June 2025

AASB 101.10(c)(ea) AASB 101.49 AASB 101.51(c) AASB 101.106(d) AASB 101.113 AASB 101.51(d)(e)		Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Financial assets at FVOCI Reserve \$'000	Other Reserves [specify] \$'000	Total \$'000
	Balance at 1 July 2024						
AASB 101.106(b), 110 AASB 108.49(b)	Correction of errors	7					
	Restated balance at 1 July 2024						
AASB 101.106(d)(i)	Net result for the year						
	Other comprehensive income						
AASB 101.106A	Net change in revaluation surplus of property, plant and equipment						
AASB 101.106A	Net gains / (losses) on equity instruments at fair value through other comprehensive income						
	Debt instruments at fair value through other comprehensive income:						
AASB 7.20(a)(viii) AASB 7.20(a)(viii) AASB 101.92	Net gains / (losses) during the period						
	Reclassification to net result						
	Net change in restoration liability						
	Others [specify]						
AASB 101.106(d)(ii)	Total other comprehensive income						
	Total comprehensive income for the year						
AASB 101.106(d)(iii)	Transactions with owners in their capacity as owners						
	Shares issued						
	Dividends paid/provided						
	Increase / (decrease) in net assets from equity transfers	28					
	Balance at 30 June 2025						

AASB 101.10(c)(ea) AASB 101.49 AASB 101.51(c) AASB 101.106(d) AASB 101.113 AASB 101.51(d)(e)		Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Financial assets at FVOCI Reserve \$'000	Other Reserves [specify] \$'000	Total \$'000
	Balance at 1 July 2023						
AASB 101.106(b), 110 AASB 108.49(b)	Correction of errors	7					
	Restated balance at 1 July 2023						
AASB 101.106(d)(i)	Net result for the year						
	Other comprehensive income						
AASB 101.106A	Net change in revaluation surplus of property, plant and equipment						
AASB 101.106A	Net gains / (losses) on equity instruments at fair value through other comprehensive income						
	Debt instruments at fair value through other comprehensive income:						
AASB 7.20(a)(viii) AASB 7.20(a)(viii) AASB 101.92	Net gains / (losses) during the period						
	Reclassification to net result						
	Net change in restoration liability						
	Others [specify]						
AASB 101.106(d)(ii)	Total other comprehensive income						
	Total comprehensive income for the year						
AASB 101.106(d)(iii)	Transactions with owners in their capacity as owners						
	Shares issued						
	Dividends paid/provided						
	Increase / (decrease) in net assets from equity transfers	28					
	Balance at 30 June 2024						

The accompanying notes form part of these financial statements.

Commentary on Statement of Changes in Equity

Requirements

- AASB 101.106
1. An entity shall present on the face of the Statement of Changes in Equity:
 - total comprehensive income for the period
 - the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108 for each component of equity
 - a reconciliation for each component of equity between the carrying amount at the beginning and end of the period, separately disclosing changes from:
 - net result
 - other comprehensive income
 - transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.
- AASB 101.106A
2. An entity may present an analysis of other comprehensive income by item either in the Statement of Changes in Equity or in the notes. NSW Treasury has mandated that the analysis of other comprehensive income by item must be presented in the Statement of Changes in Equity.
- Treasury Mandates

Adjustments

- AASB 1004.48-49
3. All contributions by or distributions to owners are to be adjusted against the equity account when they qualify for recognition.
- AASB 101.110
4. Retrospective adjustments to effect changes in accounting policies and retrospective restatements to correct errors are not changes in equity. They are adjustments to the opening balance of accumulated funds, except when an AAS requires retrospective adjustment of another component of equity. An entity discloses these adjustments for each prior period and the beginning of the period.

Statement of Cash Flows for the year ended 30 June 2025

AASB 101.10(d)(ea) AASB 101.49, 51(c)
AASB 107.10-11
AASB 1055.6(d)(e)

			Budget 2025 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
AASB 101.113 AASB 101.51(d)(e)		Notes			
AASB 107.10, 14, 18(a)	CASH FLOWS FROM OPERATING ACTIVITIES				
	Payments				
AASB 107.14(d)	Employee related				
AASB 107.14(c)	Suppliers for goods and services				
	Grants and subsidies				
AASB 107.31	Finance costs				
	Other				
	Total Payments				
	Receipts				
	Appropriations (excluding equity appropriations)				
	Reimbursements from the Crown (Transfers to the Crown)				
AASB 107.14(a)	Sale of goods and services				
AASB 107.31	Interest received				
AASB 107.14(b)	Retained taxes, fees and fines				
	Grants and other contributions				
	Other				
	Total Receipts				
	NET CASH FLOWS FROM OPERATING ACTIVITIES	32			
AASB 107.10, 16, 21	CASH FLOWS FROM INVESTING ACTIVITIES				
AASB 107.16(b)	Proceeds from sale of property, plant and equipment				
AASB 107.16(d)	Proceeds from sale of financial assets				
AASB 107.16(f)	Advance repayments received				
AASB 107.16(a)	Purchase of property, plant and equipment				
AASB 107.16(a)	Purchase of intangible assets				
AASB 107.16(c)	Purchase of financial assets				
AASB 107.16(e)	Advances made				
	Other				
	NET CASH FLOWS FROM INVESTING ACTIVITIES				
AASB 107.10, 17, 21 TPP21-08	CASH FLOWS FROM FINANCING ACTIVITIES				
AASB 107.17(a)	Capital appropriation – equity appropriation				
AASB 107.17(c)	Proceeds from borrowings and advances				
AASB 107.17(a)	Cash equity injection to for-profit entities				
AASB 107.17(d)	Repayment of borrowings and advances				
AASB 107.34	Dividends paid				
AASB 107.17(e)	Payment of principal portion of lease liabilities				
AASB 16.50(a)	Other				
	NET CASH FLOWS FROM FINANCING ACTIVITIES				
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS				
	Opening cash and cash equivalents				
Treasury Mandates	Cash transferred in / (out) as a result of administrative restructuring	28			
AASB 107.45	CLOSING CASH AND CASH EQUIVALENTS	10			

The accompanying notes form part of these statements.

Commentary on Statement of Cash Flows	
Presentation of cash flows	
AASB 107.10, 18(a), 21, 22 Treasury Mandates	1. The Statement of Cash Flows must report cash flows during the period classified by operating, investing and financing activities and separately disclose certain cash flows. Cash flows must be presented on a gross basis except to the extent that cash flows described in AASB 107.22 are reported on a net basis. NSW Treasury mandates the direct method of reporting cash flows from operating activities. Cash flows from interest and dividends received and paid shall be disclosed separately.
AASB 107.31 Treasury Mandates	NSW Treasury mandates interest paid, interest received, and dividends received as operating cash flows, and dividends paid as financing cash flows.
Equity transfers – impact on the Statement of Cash Flows	
Treasury Mandates	2. Where cash is transferred as part of an administrative restructure, the reconciliation of opening and closing cash balances in the Statement of Cash Flows will be affected. To ensure that cash reconciles in the Statement of Cash Flows, the 'Opening cash and cash equivalents' amount must be adjusted to include any cash received or paid as a result of restructuring.
Goods and Services Tax (GST)	
Interpretation 1031.10	3. Interpretation 1031 <i>Accounting for the GST</i> provides that entities must include cash flows in the Statement of Cash Flows on a gross basis in accordance with AASB 107 <i>Statement of Cash Flows</i> .
Interpretation 1031.11	The Interpretation also states that the GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the taxation authority must be classified as operating cash flows. Therefore, cash flows arising from investing and financing activities are included net of GST recoverable from or payable to the Australian Taxation Office. The GST component is regarded as being of an operating nature irrespective of what asset / expense it is associated with.
Leases under AASB 16 <i>Leases</i>	
AASB 16.50(a) AASB 16.50(b)	4. If the entity is a lessee, it is required to classify cash payments for the principal portion of the lease liability within financing activities. Cash payments for the interest portion of the lease liability are classified as operating activities.
AASB 16.50(c)	5. Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified within operating activities.
AASB 107.43 AASB 107.44	6. Non-cash investing and financing transactions (e.g., the initial recognition of the lease at commencement) should be excluded from the statement of cash flows. Such transactions shall be disclosed in the financial statements in a way that provides all the relevant information about these investing and financing activities

Commentary on Financial Statements

Budgeted amounts

- AASB 1055.6-7
1. Where an entity's budgeted financial statements were presented to Parliament (i.e. in the NSW Government Budget Papers), the entity's financial statements must comply with AASB 1055 *Budgetary Reporting*. In respect of the actual amount of each item in the financial statements for the current financial year, entities must present the corresponding budgeted amount for that item for the current financial year.
- The budgeted amounts must be drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period and must be prepared on the same basis as the financial statements.
- AASB 1058.39 (a)(b)
AASB 1055.6-7
- AASB 1055.11
Treasury Mandates
- Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgetary information.

Explaining Variances

2. Major variances between the original budgeted amounts and the actual amounts in the financial statements should be explained in a note to the financial statements (Note 31).
- AASB 1055.6(f)
- Where relevant, variances may relate to transfers of functions or restructures. The format of disclosures in Note 31 could include columns to explain the components of the overall variance between the original budget and actual information. For instance, where an entity has been impacted by a restructure, a column disclosing the budget after amendments for the restructure could be included. However, these columns should not be referred to as a 'revised budget'.
- Regardless, major variances between actual amounts and the original budget must be explained.

Other requirements under AASB 1055

- AASB 1055.8
3. Comparative budgetary information in respect of the previous period need not be disclosed.
- AASB 1055.7(a), 13
4. An entity with administered items included in its original budgeted financial statements presented to Parliament must disclose the corresponding budgeted amount for those items for the current financial year (Note 35).

Entities not required to include AASB 1055 information

- AASB 1055.14
5. Entities for which budgeted financial information was not presented to Parliament do not need to include AASB 1055 information.
- Treasury Mandates
- Where these entities choose to disclose budgeted financial information (as it was not required to be presented to Parliament) the entity's accounting policy and disclosures in respect of budgeted financial information must:
- state that the entity is not required to include budget information in accordance with AASB 1055;
 - describe the basis of preparation of the budgetary information presented;
 - disclose who authorised the budget.

Consistency of presentation

- AASB 101.45
6. The presentation and classification of items in the financial statements shall be retained from one reporting period to the next unless:
 - it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate (having regard to the criteria for the selection and application of accounting policies in AASB 108); or
 - an AAS requires a change in presentation
- AASB 101.41-42
- When making changes in presentation or classification, an entity reclassifies its comparative information, unless impracticable. Entities must disclose the nature and amount of, and reason for, the reclassification. When it is impracticable to reclassify, the entity shall disclose the reason for not reclassifying the amounts and the nature of the adjustments that would have been made if the amounts had been reclassified.
- AASB 101.7
- 'Impracticable' is defined as occurring when the entity cannot apply a requirement after making every reasonable effort to do so.

Materiality and aggregation

- AASB 101.29-31
7. Entities must present each material class of similar items separately in the financial statements. An immaterial item need not be disclosed. An item that is not sufficiently material to warrant separate presentation on the face of the statements may nevertheless be sufficiently material to be disclosed separately in the notes.

Commentary on Financial Statements

AASB 2018-7 Amendments to Australia Accounting Standards – Definition of Material (amendments to AASB 101.7)	<p>Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Materiality depends on the nature or magnitude of information, or both. Entities assess whether information, either individually or in combination with other information, is material in the context of their financial statements taken as a whole.</p>
AASB 101.38 AASB 101.10(ea)	<p>Comparative information – general</p> <p>8. In general, an entity must present comparative information for the preceding financial year for all amounts reported in the current period’s financial statements, except where an AAS permits or requires otherwise.</p>
AASB 101.38	<p>Entities must include comparative information for narrative and descriptive information included in the financial statements if it is relevant to an understanding of the financial statements. In some cases, narrative information provided for the preceding period continues to be relevant in the current period; e.g. where an uncertainty was disclosed at the end of one reporting period, which is resolved in the next reporting period.</p>
AASB 101.40A	<p>When an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements and they have a material effect on the information in the Statement of Financial Position at the beginning of the preceding period, it must present an additional Statement of Financial Position as at the beginning of the preceding period, in addition to the minimum comparative financial statements.</p>
AASB 101.38C-38D	<p>9. An entity may present comparative information in addition to the minimum comparative financial statements, as long as that information is prepared in accordance with AAS. It may comprise one or more of the components of the financial statements (with related note information) (e.g. a third Statement of Comprehensive Income), but it need not comprise a complete set of financial statements (i.e. need not present a third statement for all of the financial statements).</p>
AASB 108.5,19,22-25	<p>Comparatives – changes in accounting policies</p> <p>10. When an entity changes an accounting policy upon initial application of an AAS that does not include specific transitional provisions applying to that change, or changes an accounting policy voluntarily, it must apply the change retrospectively, where practicable. The entity must adjust the opening balance of each affected component of equity for the earliest prior period presented, and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.</p> <p>When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for the prior periods presented, the entity shall apply the new accounting policy to the opening balances of the earliest period for which retrospective application is practicable.</p> <p>When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.</p> <p>The treatment of changes in accounting policy is further discussed in the commentary to Note 1.</p>
AASB 108.42-48	<p>Comparatives – restatement / correction of errors</p> <p>11. An entity shall correct material prior period errors retrospectively in the first financial statements issued after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, where practicable, or, if the error occurred before the earliest prior period presented, by restating the opening balances for the earliest prior period presented.</p> <p>When it is impracticable to determine the period-specific effects of an error on comparative information, the entity shall restate the opening balances for the earliest period for which retrospective restatement is practicable (which may be the current period).</p> <p>When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.</p>
AASB 101.41	<p>Comparatives - Reclassification</p> <p>12. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period): the nature of the reclassification; the amount of each item or class of items that is reclassified; and the reason for the reclassification.</p>

Commentary on Financial Statements	
AASB 101.42	<p>When it is impracticable to reclassify comparative amounts, an entity shall disclose: the reason for not reclassifying the amounts; and the nature of the adjustments that would have been made if the amounts had been reclassified.</p> <p>Transfer payments</p>
AASB 1050.17-20	<p>13. Transfer payments are not recognised in the Statement of Comprehensive Income, as the entity does not control these types of payments (see Note 8 on Transfer Payments). Those parts of appropriations that are in the nature of transfer payments are not to be recognised in the Statement of Comprehensive Income.</p> <p>Similarly, cash flows resulting from transfer payments are not recognised in the Statement of Cash Flows.</p> <p>Personnel services</p>
TC15-07	<p>14. For entities impacted by TC15-07 regarding employment arrangements, expenses, revenues, assets and liabilities not referred to elsewhere in the Code must be classified into existing line items in the financial statements and dissected in the notes, as appropriate.</p>

Notes to the financial statements

AASB 101.10(e), 113, 117

1. Statement of Material Accounting Policy Information

a) Reporting entity

AASB 101.138
TPP21-07
Treasury Mandates
AASB 1054.8(b)

The [name of entity] (the Entity), is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

For entities preparing consolidated financial statements, disclose the following:

AASB 101.10(e), 51
AASB 10.4,19, B86

[The (name of entity) as a reporting entity, comprises all the entities under its control, namely: (provide brief description).

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.]

AASB 110.17

These financial statements for the year ended 30 June 2025 have been authorised for issue by the [Secretary / Board] on [insert date].

b) Basis of preparation

AASB 101.27, 112(a), 117
AASB 1054.7-9

The entity's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Treasury Mandates

AASB 101.112(a)
AASB 101.117
Treasury Mandates

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and certain financial assets and liabilities are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

AASB 101.122, 125

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

AASB 101.51(d)(e)
AASB 121.9, 17

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the entity's presentation and functional currency.

c) Statement of compliance

AASB 1054.7

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d) Administered activities

AASB 1050.7
AASB 1050.24

The entity administers, but does not control, certain activities on behalf of the Crown. It is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of the entity's own objectives.

Transactions and balances relating to the administered activities are not recognised as the entity's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered Income', 'Administered Expenses', 'Administered Assets' and 'Administered Liabilities'.

AASB 1050.24

The accrual basis of accounting and applicable accounting standards have been adopted.

AASB 101.10(e), 113, 117

1. Statement of Material Accounting Policy Information

Appendix G

AASB 101.117A

Int 1031

AASB 121

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information is required to be disclosed.

In most cases, even where amounts presented are material, accounting policy information for Accounting for Goods and Services Tax and Foreign Currency Translation is likely to be immaterial. This is because: there are no accounting policy options in AASB Interpretation 1031 *Accounting for the Goods and Services Tax (GST)* (Int 1031) or AASB 12 *The Effects of Changes in Foreign Exchange Rates* (AASB 121); significant judgements or assumptions are not likely to be required; the accounting is not complex; and there is no change in accounting policy in the FRC or Treasury *Mandates of options and major policy decisions under Australian Accounting Standards*. However, management should make its own assessment.

e) Accounting for the Goods and Services Tax

Interpretation 1031.6-9

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Interpretation 1031.10-11

f) Foreign currency translation

AASB 121.21-22

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

AASB 121.23(a)
AASB 121.8

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

AASB 121.28

Differences arising on settlement or translation of monetary items are recognised in net result.

AASB 121.23(b)
AASB 121.23(c)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or net results are also recognised in other comprehensive income or net results, respectively).

AASB 121.30

g) Comparative information

AASB 101.38

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

h) Changes in accounting policies, including new or revised AAS

AASB 108.28(a)

i. Effective for the first time in FY2024-25

The accounting policies applied in 2024-25 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2024-25:

[specify, where material].

The impact of these Standards in the period of initial application includes [\[specify information as required in AASB 108.28\]](#).

ii. Issued but not yet effective

AASB 101.10(e), 113, 117

1. Statement of Material Accounting Policy Information

[Agencies only need to list standards that are issued but not yet effective, where those standards have a potentially material impact. Material impacts could include, material by amount; material by nature; where significant judgements or assumptions apply.]

Treasury Mandates

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

AASB 108.30

The following new AAS have not been applied and are not yet effective [specify – refer to Treasury Mandates]. The possible impact of these Standards in the period of initial application includes [specify any known or reasonably estimable information].

AASB 108.39-40

i) Impact of Climate-related matters on Financial Reporting for 2024-25 –

The potential material impacts of Climate related matters on the end of year financial statements should be considered by agencies. The following areas may be impacted and require increased disclosure:

- Fair value of property, plant and equipment – Level 3
- Useful lives of property, plant and equipment
- Impairment of non-financial assets
- Receivables and financial assets
- Financial instruments
- Expected credit losses
- Provisions and contingent liabilities
- Inventories
- Financial liabilities at amortised cost
- Events after the reporting period
- Going concern
- Estimation uncertainty and significant judgements

Please refer to the [“Guidance on how to reflect the effect of climate-related matters in the financial statements”](#) on the NSW Treasury Accounting Policy website for further details.

Financial statements should reflect the material impacts of climate risks. This includes disclosures on key assumptions and judgements in preparing the financial statements. This requirement is separate to disclosures that will be required by *TPG24-33 Reporting framework for first year climate-related financial disclosures* (TPG24-33).

Under TPG24-33, entities in Phase 1 are required to prepare a separate report on climate-related financial disclosures, commencing in 2024-25. However, data and assumptions used in preparing climate-related financial disclosures under TPG24-33, should be consistent with those used in preparing the financial statements, where relevant.

Commentary on Statement of Material Accounting Policy Information

Application of illustrative example accounting policy note

AASB 101.112, 117	<p>1. AASB 101 requires entities to present information about the basis of preparation of the financial statements and the specific accounting policies used. Entities shall disclose material accounting policy information. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Refer to Appendix G for further guidance on disclosing material accounting policy information.</p>
AASB 101.117A	<p>Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may nevertheless be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p>
AASB 101.117B	<p>Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements. For example, an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:</p> <ul style="list-style-type: none"> (a) the entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements; (b) the entity chose the accounting policy from one or more options permitted by Australian Accounting Standards—such a situation could arise if the entity chose to measure investment property at historical cost rather than fair value; (c) the accounting policy was developed in accordance with AASB 108 in the absence of an Australian Accounting Standard that specifically applies; (d) the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with paragraphs 122 and 125; or (e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions—such a situation could arise if an entity applies more than one Australian Accounting Standard to a class of material transactions.
AASB 101.117C	<p>Accounting policy information that focuses on how an entity has applied the requirements of the Australian Accounting Standards to its own circumstances provides entity-specific information that is more useful to users of financial statements than standardised information, or information that only duplicates or summarises the requirements of the Standards.</p>
AASB 101.117D	<p>If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.</p>
AASB 101.117E	<p>An entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other Australian Accounting Standards.</p> <p>This example accounting policy note should be suitable for most entities, subject to appropriate adaptations taking into account the requirements in AASB 101. Where an area or category is not material to an entity, then the accounting policy note in relation to that matter can be omitted (e.g. if an entity does not have any financial assets at fair value through other comprehensive income, then there is no need to have an accounting policy note on this category).</p> <p>Where possible, the Code now presents the relevant accounting policies within the related disclosure note. However, agencies may prefer to instead present all accounting policies in Note 1.</p>
AASB 101.138(a)-(c)	<p>Reporting entity disclosure</p> <p>2. Entities shall disclose the following, if not disclosed elsewhere in information published with the financial statements (i.e. annual report):</p> <ul style="list-style-type: none"> • the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office); • a description of the nature of the entity's operations and its principal activities; and • the name of the parent and the ultimate parent of the group. <p>• The ultimate parent of the entity is the State of New South Wales.</p>
AASB 10.4, Appendix A TC15-05	<p>Reporting entity</p> <p>3. The consolidated financial statements are those of the economic entity, comprising the entity (parent entity) and all the entities that the entity controls (including controlled</p>

Commentary on Statement of Material Accounting Policy Information

	commercial activities of an entity). The objective of preparing consolidated financial statements is to reflect the economic entity as a single reporting entity for decision making and accountability purposes, regardless of the activities encompassed by the reporting entity.
AASB 10.21, B86	Notwithstanding the requirement for government entities to prepare consolidated financial statements, the extent of the entities' involvement in dissimilar activities is conveyed in the consolidated financial statements by the presentation of disaggregated information on a major activity group basis.
AASB 1052.15	
TC15-05	The individual entities that comprise the economic entity (i.e. the parent entity and any controlled entities) are also separate reporting entities in their own right and must prepare financial statements. Controlled entities are subject to the same accounting and auditing requirements as the controlling entity. Further, the annual reporting legislation requires the annual financial statements of a controlled entity to be included in the annual report of the controlling entity.
Treasury Mandates	4. The financial statements of the parent entity must be included as a separate column adjacent to the consolidated financial statements.
	Reporting periods – other than 12 months
AASB 101.36	5. If the entity's annual financial statements present information for current or prior annual reporting periods that are not equal to 12 months, the entity must disclose the period covered by the financial statements; the reason for a period other than 12 months being used; and the fact that comparative amounts are not comparable where the lengths of the reporting period differ.
	Judgements, key assumptions and estimations
AASB 101.122	6. Entities must disclose the judgements (apart from those involving estimations) management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements.
AASB 101.125	Entities must disclose information about assumptions concerning the future and estimations that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period. Examples of types of disclosures include: the nature of the assumption or estimation uncertainty; sensitivity to the methods, assumptions and estimates, including reasons for sensitivity; expected resolution of an uncertainty and reasonably possible outcomes; and an explanation of changes made to past assumptions.
AASB 101.129	
	Disclosure of accounting framework
AASB 101.15 AASB 1054.8(a)	7. The financial statements are to be prepared in accordance with relevant AAS.
AASB 1054.9	8. AASB 101 requires the statement of material accounting policy information note to state that the financial statements are general purpose financial statements which have been prepared in accordance with AAS (which include Australian Interpretations). In addition to the Standards' requirements, entities must state that the financial statements have been prepared in accordance with the GSF Act and Regulation, and other Directions issued by the Treasurer under the Act.
Treasury Mandates	
AASB 101.16	9. Subject to below, in addition to disclosing that the financial statements and notes comply with AAS (including Australian Interpretations), an entity whose financial statements and notes comply with International Financial Reporting Standards (IFRS) shall make an explicit and unreserved statement of such compliance in the notes, where the entity complies with all the requirements of IFRS.
AASB 101.Aus16.3	Some AAS contain requirements specific to public sector and/or not-for-profit entities that are inconsistent with IFRS requirements. A public sector and/or not-for-profit entity will be unable to make an explicit and unreserved statement of compliance with IFRSs and AASB 101 clarifies that not-for-profit entities need not make such a statement.
	Criteria for selection and application of accounting policies
AASB 108.11	10. In the absence of a specific AAS, the hierarchy of other pronouncements is to be considered, in the following order of preference: <ul style="list-style-type: none"> • requirements in AAS dealing with similar and related issues • the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.
AASB 101.12	Management may also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources above.
	Changes in accounting policies
AASB 108.14	11. A change in an accounting policy must be made only when it:

Commentary on Statement of Material Accounting Policy Information

AASB 108.19	<ul style="list-style-type: none"> • is required by an AAS or • results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.
AASB 108.22	<p>12. A change in accounting policy made on initial adoption of an AAS must be accounted for in accordance with the specific transitional provisions, if any, in that Standard. If the Standard does not include transitional provisions applying to the change or where an entity changes an accounting policy voluntarily, the entity should apply the change retrospectively.</p>
AASB 108.23, 24, 25	<p>13. When a change in accounting policy is applied retrospectively, the entity calculates the amounts as if the new accounting policy had always been applied by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each prior period.</p> <p>Where it is not practicable to determine the period-specific effects on comparative information, the entity must apply the accounting policy at the beginning of the earliest period for which retrospective application is practicable (i.e. cumulative effect), which may be the current period. When this is impracticable, the new accounting policy must be applied prospectively from the earliest date practicable.</p>
AASB 108.28-29	<p>14. Where a new accounting policy or a voluntary change in accounting policy has an effect on the current financial year or any prior period or might have an effect in a subsequent financial year, the summary of accounting policies must disclose, or refer to a note disclosing:</p> <ul style="list-style-type: none"> • the title of the AAS (where applicable) • when applicable, that the change is made in accordance with transitional provisions; a description of these provisions and the effect these transitional provisions might have on future periods • the nature of and reasons for the change • the amount of the adjustment for the current period and each prior period presented, to the extent practicable, for each financial statement line item affected • the amount of the adjustment relating to periods before those presented, to the extent practicable and • if retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of the condition and a description of how and from when the change in accounting policy has been applied. <p>Financial statements of subsequent periods need not repeat these disclosures.</p> <p>15. The following amendments and interpretations apply for the first time in FY2024-25. Entities shall assess whether they have an impact on the financial statements of the entity:</p> <ul style="list-style-type: none"> • <i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> • <i>AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i> • <i>AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i> • <i>AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i> • <i>AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements Mandate agencies not to early adopt any of the new Standards / Interpretations</i> <p>Changes in accounting estimates</p>
AASB 108.32 and 34	<p>16. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. Examples of accounting estimates include loss allowances for expected credit losses, net realisable value of inventory, fair value of assets and liabilities, depreciation expense and provisions. An entity may need to change an accounting estimate if changes occur in the circumstances on which the accounting estimate was based or as a result of new</p>

Commentary on Statement of Material Accounting Policy Information	
AASB 108.36	information, new developments or more experience. By its nature, a change in an accounting estimate does not relate to prior periods and is not the correction of an error.
AASB 108.39-40	17. The effect of a revision of an accounting estimate must be recognised prospectively by including it as revenue or expense in the Statement of Comprehensive Income in the reporting period in which the accounting estimate is revised, if the revision affects that reporting period only, or in the reporting period of the revision and future reporting periods, if the revision affects both the current and future reporting periods.
AASB 116.76	18. The nature and amount of a revision of an accounting estimate that affects the reported financial performance or financial position of the current or future reporting period(s) must be disclosed in the notes to the financial statements, except where impracticable for future periods. Where impracticable, an entity must disclose that fact.
AASB 138.121 AASB 108.35	19. Where there are difficulties in distinguishing between a change in an accounting policy and a revision of an accounting estimate, the transaction is treated as a revision of an accounting estimate.
AASB 108.32	20. When existing assets previously measured using market or income approach are reclassified to service concession assets in accordance with AASB1059, the entity should disclose the change in valuation technique as a change in accounting estimate.
AASB 101.41	Reclassification of financial information 21. When the presentation or classification of items in the financial statements is amended, comparative amounts should be reclassified unless immaterial or impracticable, and the nature and amount of and reason for the reclassification must be disclosed. Reclassification of financial information is further discussed in the 'General commentary on the financial statements'.
AASB 101.23	Additional disclosures where compliance with Standards is misleading 22. Financial statements must present fairly the financial position, financial performance and cash flows of the entity. In the extremely rare circumstance where management concludes that compliance with AAS would be so misleading that it would conflict with the objective of financial statements as per the Framework, the entity must make certain additional disclosures, including the reason for coming to this conclusion.

2. Expenses Excluding Losses

a) Employee related expenses

		2025 \$'000	2024 \$'000
AASB 119.135 AASB 119.53	Salaries and wages (including annual leave) Superannuation – defined benefit plans Superannuation – defined contribution plans Long service leave Workers’ compensation insurance Payroll tax and fringe benefit tax [Specify other major categories]		
Treasury Mandates	[Indicate the amount of employee related costs that have been capitalised, in particular property, plant and equipment or intangible assets accounts, and therefore excluded from the above; i.e. \$xx (2024: \$xx).]		

Commentary on employee related expenses disclosure	
Treasury Mandates	1. The notes to the Statement of Comprehensive Income are to disclose the major items recognised in determining employee related expenses: salaries and wages (including annual leave), superannuation – defined benefit plans, superannuation – defined contribution plans, long service leave, workers’ compensation insurance, payroll tax and fringe benefits tax and other major categories.
TPP06-6	2. Employee related maintenance expenses (i.e. employee expenses associated with day-to-day servicing costs) should be included as part of employee related expenses in the Statement of Comprehensive Income. Such expenses may include in-house trade staff, supervisors and managers directly involved in or related to day-to-day servicing costs.

Commentary on employee related expenses disclosure	
Treasury Mandates	<p>3. The maintenance expense in Note 2(b) therefore excludes any employee related expenses. However, a reconciliation to 'total maintenance', including 'employee related maintenance', is provided underneath Note 2(b).</p> <p>4. Further, employee related expenses do not include those employee related costs that have been capitalised as an asset. However, the amounts of various employee-related costs that have been capitalised in particular fixed assets accounts must be separately disclosed in the notes.</p>

b) Other operating expenses include the following:

		2025 \$'000	2024 \$'000
AASB 1054.10	Auditor's remuneration		
	- audit of the financial statements		
AASB 102.36(d)	Cost of sales		
AASB 102.Aus36.1(c)	Cost of inventories held for distribution		
AASB 16.53(c)	Expense relating to short-term leases		
AASB 16.53(d)	Expense relating to leases of low-value assets		
AASB 16.53(e)	Variable lease payments, not included in lease liabilities		
AASB 101.97	Maintenance	X*	A*
AASB 101.97	Insurance		
AASB 101.97	Consultants		
AASB 101.97	Other contractors		
AASB 138.126	Research and development		
	[Specify other major categories]		

[Agencies should not disclose the following table where total maintenance expenses are not material]

		2025 \$'000	2024 \$'000
TPP06-6	<i>*Reconciliation - Total maintenance expense</i>		
	Maintenance expense – contracted labour and other (non-employee related), as above	X	A
	Employee related maintenance expense included in Note 2(a)	Y	B
	Total maintenance expenses included in Note 2(a) + 2(b)	Z	C
TPP06-6	<i>*Reconciliation - Total maintenance expense</i>		

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information is required to be disclosed.

For certain expenses, even where the amounts presented are material, it is possible that only information about options in the applicable Australian Accounting Standard will be material information. For example, the election to expense short-term and low-value leases.

However, as well as describing the option adopted it may be necessary to also include sufficient information on the accounting treatment, to ensure that the overall note disclosure is understandable. This could include information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

Maintenance expenseAASB 116.12-13
TPP06-6

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

The entity's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

Lease expense

Treasury Mandates

The entity recognises the lease payments associated with the following types leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

AASB 16.38(b)

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

Commentary on other operating expenses disclosureAASB 101.97
AASB 1054.10
Treasury Mandates

1. Separate disclosures are to be made of any material items under 'Other operating expenses'. As a minimum, entities must disclose auditor's remuneration, cost of sales, costs of inventories held for distribution, expense relating to short-term leases, expense relating to leases of low-value assets, variable lease payments not included in lease liabilities, maintenance, insurance, consultants, other contractors, research and development and other major categories.

TPP06-6

2. As discussed in the commentary to Note 2(a) above, the maintenance expense excludes any employee-related expenses. However, to enable users of the financial statements to determine the 'total maintenance' expense, a reconciliation of maintenance expenses included in employee related expenses at Note 2(a) is also required.

Treasury Mandates

TC15-07

For entities receiving personnel services (as discussed in TC15-07), the reference to 'employee related maintenance expense' in Note 2(b) above must be read as a reference to 'personnel services maintenance expense'. In effect, this amends the Guidelines for Capitalisation of Expenditure on Property, Plant and equipment (TPP06-6) to require the total maintenance expense to be dissected into personnel services related maintenance and other maintenance.

AASB 1054.10, 11

3. The Auditor-General audits NSW public sector entities. The entity must disclose in the financial statements the amounts paid or payable to the Auditor-General for the audit of the entity's financial statements and all other services during the period. The entity should also describe the nature of other services, if any.

AASB 102.36(d), 38

4. Entities disclosing revenue from sale of goods must disclose cost of sales relating to the sale of those goods. 'Cost of sales' consists of those costs previously included in the measurement of inventory that has been sold and unallocated production overheads and abnormal amounts of production costs of inventories.

AASB 102.Aus34.1
AASB102.Aus36.1(c)

5. When inventories held for distribution by a not-for-profit entity are distributed, the carrying amount of these inventories must be recognised as an expense and disclosed.

AASB 16.53 (c)
AASB 16.53 (d)
AASB 16.53 (e)

6. AASB 16 requires the disclosure of:

- the expense relating to short-term leases accounted for applying the practical expedient in AASB16.6.
- the expense relating to leases of low-value assets accounted for applying the practical expedient in AASB16.6.
- the expense relating to variable lease payments not included in the measurement of lease liabilities;

AASB 138.54, 57
AASB 138.126

7. In accordance with AASB 138 *Intangible Assets*, all research costs are expensed. Development costs are only capitalised when certain criteria are met. Research and development expenditure recognised as an expense must be disclosed.

Consultants and other contractors

Commentary on other operating expenses disclosure

OSR Revenue Ruling PTA 038	<p>8. A 'consultant' is a person or organisation engaged under contract on a temporary basis to provide recommendations or professional advice to assist decision-making by management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors.</p> <p>Services provided under the NSW Government Legal Services Panel are excluded from the definition of a consultant for annual reporting purposes.</p> <p>9. An 'other contractor' expense in the Code is any individual or organisation (other than a consultant) who is engaged to undertake work that would or could be regarded as normally undertaken by an employee, but internal expertise is not available. Other contractors, however, excludes personnel service expenses (disclosed as a separate line item, per TC15-07) and contractors related to maintenance (disclosed as part of maintenance expense).</p> <p>10. External labour hire and professional service contractors (excluding consultants) are types of arrangements that would be disclosed under other contractors. Where these arrangements are individually material, they should be separately disclosed.</p> <p>11. Employees are distinct from contractors as they are engaged under a different set of legal arrangements; e.g. taxation, superannuation and workers' compensation. The distinction between a contractor and employee is based on the relevant employment law categorisation of the payment. Mostly, in the various State and Commonwealth tax legislation, the categorisation of payments is based on the ordinary or common law distinction of employee/contractor, based on case law.</p> <p>12. For example, OSR Revenue Ruling No PTA 038 refers to a number of factors that should be considered in determining whether a worker is an employee, including whether the worker is subject to control and direction, the practical relationship, whether the contract is to achieve a given result, whether the worker is operating an independent business, risk, power to delegate, and the provision of tools and equipment.</p> <p>At a minimum, however, for an employment relationship to exist there must be a contract of service between the worker and the government entity. For this reason, if the contract is with a labour hire entity rather than the worker (i.e. where a labour hire entity is contracted to provide workers to perform work directly for clients and where the client pays the labour hire entity for this work), then a labour hire worker cannot be regarded as an employee of the government entity. Refer Australian Taxation Office: PAYG withholding and labour hire firms</p>
----------------------------	---

c) Depreciation and amortisation expense

		2025 \$'000	2024 \$'000
AASB 116.75(a) AASB 16.53(a)	Depreciation [Specify for each class of depreciable asset]		
AASB 138.118(d)	Amortisation [Specify for each class of asset]		

Refer to Note 16, 17, 18 and 19 for recognition and measurement policies on depreciation and amortisation.

[Disclose other additional details as required by AASB 116 and AASB 138]

AASB 108.39, 40	[Disclose details of a revision of accounting estimate on depreciable asset and intangible asset with finite life, where applicable]
-----------------	--

Commentary on depreciation and amortisation expense disclosure

AASB 116.75(a) AASB 138.118(d)	<p>1. Depreciation for each class of depreciable asset is to be disclosed.</p> <p>The line item of the Statement of Comprehensive Income in which any amortisation of intangible assets is included should be disclosed.</p>
AASB 116.73, 75-76	<p>2. AASB 116 requires, among other things, the disclosure of (refer Note 16):</p> <ul style="list-style-type: none"> • the depreciation methods and useful lives or the depreciation rates used and • the accumulated depreciation.
Depreciation and amortisation – recognition	
AASB 116.61 AASB 138.104 AASB 16.31&32	<p>3. Assets must be depreciated or amortised over their useful lives and the depreciation or amortisation rate reviewed annually in accordance with AASB 116 and AASB 138. Land is not a depreciable asset. The same depreciation</p>

Commentary on depreciation and amortisation expense disclosure	
TPP21-09 AASB 116.G3-G4	requirements apply to right-of-use assets, taking into account of the impact of the potential ownership transfer at the end of the lease. In limited instances, heritage assets may not have limited useful lives (because of appropriate curatorial and preservation policies) and are not depreciated.

d) Grants and Subsidies

2025	2024
\$'000	\$'000

[Specify major categories]

Commentary on grants and subsidies disclosure	
TPP21-08 Interpretation 1038	1. Except in limited circumstances, in the NSW public sector 'grants' have not been designated as contributions by owners under Interpretation 1038 and therefore must be treated as expenses. An exception to this is 'equity appropriations' to fund payments to adjust a for-profit entity's capital structure. For a fuller discussion of this matter, refer to the commentary to Note 3(f).
Treasury Mandates	2. The nature and amounts of major categories of grant and subsidy expenses must be disclosed.

AASB 101.82(b)

e) Finance costs

2025	2024
\$'000	\$'000

AASB 16.49

Interest expense from lease liabilities
Interest expense from financial liabilities at amortised cost*

AASB 7.20(b)

Total interest expense

AASB 137.60, 84(e)

Unwinding of discount

[Specify other major categories]

*(Where material) Of the interest expense from financial liabilities at amortised cost, \$XXX (2024: \$XXX) related to financial liabilities relating to service concession arrangements. Refer to Note 16 for further details on service concession arrangements.

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information is required to be disclosed.

For borrowing costs, even where amounts presented are material, it is likely that only information about the option for not-for-profit entities to expense borrowing costs in AASB 123 *Borrowing costs* (AASB 123), para Aus8.1 is material information that should be disclosed. Treasury mandates that GGS agencies adopt the option to expense in AASB 123.Aus8.1.

However, as well as describing the option adopted in AASB 123.Aus8.1, it may be necessary to also include sufficient information on the accounting treatment to ensure the overall note is understandable. This could include information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

AASB 123.5
AASB 123.Aus8.1
Treasury Mandates

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

Commentary on Finance Costs	
AASB 7.20(b) AASB 137.84(e) AASB 16.49 AASB 137.60	1. Interest expense in respect of lease liabilities, unwinding of the discount rate and other finance costs are to be separately disclosed.
AASB 123.5, 6	2. Finance costs include borrowing costs. AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> provides that the increase in a provision resulting from the unwinding of the discount rate must be recognised as a borrowing cost. Under AASB 123 <i>Borrowing Costs</i> , borrowing costs are interest and other costs incurred in connection with borrowing funds; e.g.: <ul style="list-style-type: none"> • interest expense calculated using the effective interest method as described in AASB 9 • exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs • interest in respect of lease liabilities recognised in accordance with AASB 16 • finance charges in respect of service concession financial liabilities recognised in applying the financial liability model under AASB 1059.
AASB 16.49 AASB 1059.B68	
Treasury Mandates	3. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

f) Other expenses

		2025 \$'000	2024 \$'000
AASB 101.97	[Specify major categories]		

Commentary on other expenses	
AASB 101.97 AASB 7.20(c)	1. When items of expense are material, their nature and amount must be disclosed separately. If applicable, this should include fee expense [or income - refer Note 3(h)], other than amounts included in determining the effective interest rate, arising from: <ul style="list-style-type: none"> • financial assets or financial liabilities that are not at fair value through profit or loss and • trust and other fiduciary activities that result in the holding or investing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions.

3. Revenue

Recognition and Measurement

Appendix G	<p>If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information is required to be disclosed.</p> <p>Where the amounts are material, due to the significant judgements or assumptions in revenue recognition, accounting policy information in this note is likely to be material and should be disclosed.</p> <p>Agencies should amend the accounting policy information to include agency specific information where appropriate.</p> <p>However, management should make its own assessment.</p> <p>If the agency has made any material changes to their accounting policy, the change in policy should also be disclosed.</p>
------------	--

AASB 101.117-117E	Income is recognised in accordance with the requirements of AASB 15 <i>Revenue from Contracts with Customers</i> or AASB 1058 <i>Income of Not-for-Profit Entities</i> , dependent on whether there is a contract with a customer as defined by AASB 15 <i>Revenue from Contracts with Customers</i> . Comments regarding the accounting policies for the recognition of income are discussed below.
-------------------	--

Commentary on revenue – General	
AASB 15.114 AASB 1058.24	1. An entity shall disaggregate revenue recognised under AASB 15 and AASB 1058 into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.
AASB15.113(a)	2. Revenue from contracts with customers under AASB 15 must be disclosed separately from other sources of revenue.
AASB 15.B89	3. Examples of categories of revenue within the scope of AASB 15 that might be appropriate include, but are not limited to, all of the following: <ul style="list-style-type: none"> (a) type of good or service (for example, major product lines); (b) geographical region (for example, country or region); (c) market or type of customer (for example, government and non-government customers); (d) type of contract (for example, fixed-price and time-and-materials contracts); (e) contract duration (for example, short-term and long-term contracts); (f) timing of transfer of goods or services (for example, revenue from goods or services transferred to customers at a point in time and revenue from goods or services transferred over time); and (g) sales channels (for example, goods sold directly to consumers and goods sold through intermediaries).
AASB 1058.26	4. Examples of categories of income within the scope of AASB 1058 that might be appropriate include, but are not limited to, all of the following: <ul style="list-style-type: none"> (a) grants, bequests and donations of cash, other financial assets and goods; (b) recognised volunteer services (c) appropriations income
AASB 1058.9	5. A not-for-profit entity shall assess which revenue standard is applicable to its income streams. For a not-for-profit entity, the majority of income streams are likely to be under either AASB 15 or AASB 1058. Because AASB 1058 undertakes a residual approach, an entity should assess the applicability of AASB 15 before it considers the application of AASB 1058.
AASB 15.9 AASB 15.Aus9.1	6. AASB 15 applies to contracts with customers that are enforceable and sufficiently specific. If the contract does not meet these criteria, an entity shall consider the requirements of AASB 1058 in accounting for such contracts.
AASB 15.31	7. According to AASB 15, revenue shall be recognised when the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset: <ul style="list-style-type: none"> • For each performance obligation identified in a contract, an entity shall determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. • An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. • For each performance obligation satisfied over time, an entity shall recognise revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict an entity's performance in transferring control of goods or services promised to a customer (ie the satisfaction of an entity's performance obligation). • An entity shall apply a single method of measuring progress for each performance obligation satisfied over time and the entity shall apply that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting period, an entity shall remeasure its progress towards complete satisfaction of a performance obligation satisfied over time. • If a performance obligation is not satisfied over time, an entity satisfies the performance obligation at a point in time. Revenue should be recognised at the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation.
AASB 15.32	
AASB 15.35	
AASB 15.39	
AASB 15.40	
AASB 15.38	
AASB 15.46	
AASB 15.48	8. AASB 15 requires recognition of revenue at the amount of the transaction price that is allocated to the performance obligation(s). When determining the transaction price, an entity shall consider the effects of variable consideration, constraining estimates of variable

Commentary on revenue – General	
AASB 1058.1	consideration, the existence of a significant financing component in the contract, non-cash consideration, and consideration payable to a customer.
AASB 1058.8	9. AASB 1058 applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives (i.e. transactions with a donation nature) and the receipt of volunteer services.
AASB 1058.9	10. According to AASB 1058, an entity shall apply the requirements of other Australian Accounting Standards (as relevant) to an asset arising from a transaction (e.g. AASB 9 for cash received). On initial recognition of the asset, an entity shall recognise any related contributions by owners, increases in liabilities, decreases in assets ('related amounts'), and revenue in accordance with other Australian Accounting Standards.
AASB 1058.10	11. For transactions within the scope of AASB 1058, an entity shall recognise income immediately in profit or loss for the excess of the initial carrying amount of an asset over the related amounts recognised in accordance with the other standards (in 12 above).
AASB 1058.15	There is an exception where a transfer of a financial asset is to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity. This exception applies to a transfer that:
AASB 1058.16	<ul style="list-style-type: none"> • requires the entity to use that financial asset to acquire or construct a recognisable non-financial asset to identified specifications; • does not require the entity to transfer the non-financial asset to the transferor or other parties; and • occurs under an enforceable agreement. <p>An entity shall recognise a liability for the excess of the initial carrying amount of a financial asset received in such a transfer over any related amounts recognised. The entity shall recognise income in profit or loss when the entity satisfies its obligations under the transfer.</p>

a) Appropriations and Transfers to the Crown

Summary of Compliance

All principal departments and special offices receiving parliamentary appropriations need to disclose quantitative information in the table below (portfolio agencies receiving funding Distributions from Department (previously known as "cluster grants") will need to provide relevant data to principal departments for the purpose of the departmental quantitative disclosure, but do not need to disclose the data in their own financial statements):

		2025 \$'000	2024 \$'000
AASB 1058.39(i)	Amount appropriated per Appropriation Act Standing or Special Appropriations Variations made to the appropriations during the financial year <ul style="list-style-type: none"> - Section 4.9 GSF Act (transfer of functions between GSF agencies) - Section 4.11 GSF Act (Variations of annual appropriations for Commonwealth grants) - Section 4.13 GSF Act Exigency of Government (additional appropriation approved by Treasurer and Governor for exigencies of government) - Variations to appropriated amounts (per Section 36 of the Appropriation Act) [section reference will need to be updated each year] 		

AASB 1058.39	<p>- Other [please provide brief description]</p> <hr/> <p>Total spending authority from parliamentary appropriations, other than deemed appropriations</p> <p>Add:</p> <p>The spending authority from deemed appropriations during the year</p> <p>The unutilised spending authority from deemed appropriations from prior years</p> <p>Transfers of deemed appropriations made during the financial year</p> <p>- Section 4.9A GSF Act (transfer of functions between GSF agencies)</p> <hr/> <p>Total</p> <p>Less: total expenditure out of Consolidated Fund</p> <hr/> <p>Variance</p> <hr/> <p>Less:</p> <p>The spending authority from appropriations lapsed at 30 June</p> <hr/> <p>Deemed appropriations balance carried forward to following years</p> <hr/>	
--------------	--	--

	2025	2024
	\$'000	\$'000
AASB 1050.17		
AASB 1058.26(c)		
AASB 1058.26(c)		
<p>Transfer payments</p> <p>Equity appropriations</p> <p>Appropriations (per Statement of Comprehensive Income)</p> <hr/> <p>Total amount drawn down against Annual Appropriations</p> <hr/>		

Notes:

- | | |
|-------------------|--|
| Treasury Mandates | 1. The summary of compliance includes deemed appropriations. It is based on the assumption that annual appropriations monies are spent first (except where otherwise identified or prescribed). |
| Treasury Mandates | 2. 'Expenditure' refers to cash payments. The term 'expenditure' has been used for payments for consistency with AASB 1058 <i>Income of Not-for-Profit Entities</i> . |
| Treasury Mandates | 3. If an entity receives an equity appropriation this must also be disclosed in the summary of compliance as part of the appropriation. |
| | 4. Deemed appropriations is a legal concept under the GSF Act, that does not have a corresponding financial statement line item. Instead, deemed appropriations may come from various sources, such as sale of goods and services, and the corresponding revenue is disclosed in the relevant sections of these items in the financial statements. |
| | 5. Rows in the tables above not applicable to the entity should be deleted. |

Recognition and Measurement

Parliamentary appropriations other than deemed appropriations

AASB 1058.9
AASB 1004, 32

Income from appropriations, other than deemed appropriations (of which the accounting treatment is based on the underlying transaction), does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. Therefore, except as specified below, appropriations (other than deemed appropriations) are recognised as income when the entity obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Equity appropriations to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity and are not recognised as income.

Commentary on summary of compliance and appropriations disclosure

[APPLICABLE TO ENTITIES THAT OBTAIN PART OR ALL OF THEIR SPENDING AUTHORITY FOR THE PERIOD FROM A PARLIAMENTARY APPROPRIATIONS ONLY]

Parliamentary Appropriations

1. Money must not be paid out of the ConFund except under the authority of an Act (GSF Act, s4.6(1)). Any authority to spend from ConFund which arises under the authority of an Act is a "Parliamentary appropriation" for the purpose of AASB 1058.

Types of parliamentary appropriations include:

- o An annual appropriation. Ministers receive an appropriation under the authority of the annual Appropriation Act.
- o A deemed appropriation. These relate to certain types of own source receipts under the Government Sector Finance Act 2018 ('GSF Act'). Deemed appropriations provide a mechanism for the legally compliant expenditure of certain own source receipts.
- o A standing or special appropriation, which can provide for ongoing or one-off appropriations from the Consolidated Fund other than through the annual appropriations acts or GSF Act.

In NSW, the Parliamentary appropriations money, other than deemed appropriations, received by an entity must be recognised as income, except for 'Equity appropriations' which are used to fund payments to adjust a for-profit entity's capital structure and are recognised as equity injections on receipt by the entity and equity withdrawals on payment to a for-profit entity.

AASB 1004.32
AASB 1058.9
TPP21-08

Disclosure requirements

2. The following should be disclosed in the relevant entity's financial statements to comply with requirements in AASB 1058.39:

Each lead department¹ should disclose:

- an overall appropriations assessment for the services of the lead department (effectively covers all portfolio agencies) that the lead Minister is responsible for, in the form required by AASB 1058 (i.e. authority from appropriations, expenditure incurred, variance and the reasons)
- Qualitative disclosure (refer to the proforma disclosure in Appendix F), including a statement that the entity's authority to spend Consolidated Fund money comes from a delegation or sub-delegation on a per transaction basis which has been properly complied with.

Each special office should disclose:

- an overall appropriations assessment for the services of the special office that the lead Minister is responsible for, in the form required by AASB 1058, (i.e. authority from appropriations, expenditure incurred, variance and the reasons)
- Qualitative disclosure (refer to the proforma disclosure in Appendix F), including a statement that the entity's authority to spend Consolidated Fund money comes from a delegation or sub-delegation on a per transaction basis which has been properly complied with.

Other portfolio agencies should disclose:

- Qualitative disclosure (refer to the proforma disclosure in Appendix F), including a statement that the entity's authority to spend Consolidated Fund money comes from a delegation or sub-delegation on a per transaction basis which has been properly complied with.
- Where an overall limit applicable to the entity is placed in the delegations/sub-delegations to its officers, a disclosure of the overall limit, the actual expenditure incurred (which should be

¹ "Lead department" is the term defined in the GSF Act. It has the same meaning of "Principal Department" used in NSW Budget Papers.

Commentary on summary of compliance and appropriations disclosure

consistent with the data provided to the lead department to be included in the expenditure amount in the minister level assessment), and the variances

- A reference to the disclosure in the lead department's financial statements for information on the overall appropriations that the lead Minister is responsible for.
- (if applicable), a quantitative assessment of standing or spending appropriations for the exclusive use of the agency.

3. The above disclosure requirements do not apply to entities that did not receive parliamentary appropriations and did not spend Consolidated Fund money throughout the financial years covered by the financial statements. However, there is an expectation that these entities provide information that the lead departments request in order to prepare the summary of compliance table on an aggregated basis for the portfolio (e.g. correspondence that clarifies/confirms that the entity did not receive parliamentary appropriations, including deemed appropriations, and did not spend any ConFund money during the year).

4. As stated above, not all entities are required to have a quantitative disclosure of appropriations at the lead minister level in their financial statements. However, all entities are responsible for the minister level quantitative assessment:

- Lead departments are responsible for collating data from relevant agencies and preparing the assessment as above.
- Portfolio agencies are responsible for providing the data required by the lead department for the purpose of the assessment.
- Both lead departments and portfolio agencies should understand their responsibilities under the GSF Act and other relevant Acts.
- Both lead departments and portfolio agencies should read and understand the template and guidance notes.
- Lead departments should communicate the details of data required and expected timeline to portfolio agencies.
- Portfolio agencies should present their queries to the lead department in the first instance; the lead department should then take unresolved queries to Treasury.
- Special offices should prepare their own summary of compliance.

The assessment is completed for the lead minister of the portfolio, for each purpose specified in the *Appropriations Act*. In effect, the assessment of appropriations for the services of a lead department for the year should effectively cover all entities in the portfolio, except for the special offices.

For example, under *Appropriation Act 2024*, three assessments should be completed for the Attorney General for:

- the services of the Department of Communities and Justice for the year 2024–25
- the services of the Judicial Commission of New South Wales for the year 2024–25
- the services of the Office of the Director of Public Prosecutions for the year 2024–25

The assessment of appropriations for the services of the Department of Communities and Justice for the year should effectively cover all entities in the portfolio, except for the Judicial Commission of New South Wales and the Office of the Director of Public Prosecutions. The "Amount Appropriated per Appropriation Act" should include that for the services of the lead department only, but not that for the two special offices; deemed appropriations and expenditure should be inclusive of all entities', except for the special offices.

The two special offices should prepare their own summary of compliance individually.

5. If there are special offices in a portfolio, those offices may receive both their own appropriation directly under the *Appropriations Act* and funding distribution from their lead department. In this case, the special offices' expenditure is incurred under the authority of both its own direct appropriations, and deemed appropriations from funding distributions from Department. The following practice should be applied when preparing the separate assessments for the services of the lead department and the special office:

- The assessment for the services of the lead department should treat funding distributions from Department paid to special offices as expenditure. Expenditures should exclude the actual expenditures incurred by the special office.
- The assessment for the services of the special office should include the limit of direct appropriations per the *Appropriations Act*, deemed appropriations including the amount of funding distributions from Department received as its sources of spending authority, and its total expenditure using Consolidated Fund money.

6. The assessment is only for Consolidated Fund money. Expenditure under a Parliamentary appropriation only occurs where:

Commentary on summary of compliance and appropriations disclosure

- The expenditure results in money leaving ConFund; or
- The expenditure is with an agency that is a special office or an agency with a different lead Minister, and the expenditure gives rise to a deemed appropriation in the hands of the recipient agency.

For example,

- Minister A is the lead Minister of lead department X and the portfolio agencies, which includes entity Y (assuming no special offices in the portfolio).
- Entity Y has sought legal advice which concludes that the entity's money is not held on behalf of the State government and therefore is not ConFund money.
- Entity Y receives grants from lead Department X.

When preparing the assessment for Minister A:

- Grant payment to Entity Y should be treated as expenditure, because money leaves ConFund when Entity Y receives it (money held by Entity Y is not ConFund money)
- How entity Y spends its money (including that from the grants) should NOT be reflected in the assessment, because the money Entity Y holds (and then spends) is not ConFund money

7. When considering transactions with other GSF Agencies, care needs to be taken when determining whether those transactions give rise to expenditure against your appropriation, bearing in mind that:
 - every entity you transact with could hold a mix of both ConFund money and non-ConFund money; and
 - not all transactions with other GSF Agencies will give rise to deemed appropriations in the hands of the receiving agency
8. Money held in the SDA is not ConFund money. Therefore, cash transferred into an SDA account is expenditure from ConFund, but the cash in an SDA physically spent is not expenditure from ConFund. For the same reason, cash receipts from an SDA could be deemed appropriations (if other conditions are met) even though they are from an entity in the same portfolio

Format and basis of Summary of Compliance

9. The summary of compliance discloses:
 - the components of the total Annual appropriation (including any 'equity appropriations'), comprising the original appropriations and subsequent variations,
 - Special or standing appropriations,
 - deemed appropriations

The summary includes transfer payments, that are not recognised in an entity's main financial statements.

10. Please refer to Appendix E for FAQs on the summary of compliance for the purpose of appropriations disclosures.

AASB 1058.39

11. The summary of compliance is a cash (not an accrual) statement. Therefore 'expenditure' refers to cash payments (except where the hypothecated amount should be used for an SDA, please refer to Appendix E *Frequently Asked Questions – Appropriations* for more details). The term 'expenditure' has been used for payments for consistency with AASB 1058 *Income of Not-for-Profit Entities*.

AASB 1058.39(c)

12. In the notes, an entity shall provide details of any material variations between the amounts appropriated or otherwise authorised and the resulting associated expenditures, and any financial consequences for the entity of unauthorised expenditure.
13. "Total expenditure" identifies payments during the financial year that are made from ConFund, including under the authority of the annual appropriations and deemed appropriations. To calculate this amount, entities must start with the relevant cash flow amount from their Statement of Cash Flows.

As expenditure is not generally tracked against the source of funds (e.g. deemed appropriations as opposed to annual appropriations), this calculation makes the general assumption that annual appropriations money is spent first, when calculating the amount of appropriations lapsed at 30 June. However, where it is known that certain payments are required to be made from appropriations for specific purposes or deemed appropriations, then these must be taken into account when calculating the amount of appropriations lapsed at 30 June.

Logically, "Deemed appropriations balance carried forward to following years" should be a positive amount.

Commentary on summary of compliance and appropriations disclosure	
	14. Amount drawn down against annual appropriations: this amount is recorded in the Treasury ledgers and can be confirmed from the NSW Treasury print-outs that are made available to entities shortly after year end.
AASB 1050.17	<p>Transfer payments</p> 15. The appropriations recognised in the Statement of Comprehensive Income do not include transfer payments. Transfer payments are not controlled by the entity and are therefore not recognised. Gross appropriations (i.e. including transfer payments), are disclosed in the summary of compliance. Refer to Note 8 for further discussion on transfer payments.
	<p>GST component</p> 16. Receipts into ConFund of the type listed in s34(1) of the GSF Regulation (i.e. deemed appropriations money) is inclusive of the GST component of the receipt, if applicable.
	<p>Administered receipts and expenditure</p> 17. The summary of compliance should include expenditure “administered” by the entities covered by the assessment, if the cash payments are made out of the administering entity’s bank account. In comparison, administered cash receipts, that meets the deemed appropriations definition and is one of the types listed in clause 34 of the GSF Regulation, belong to the portfolio/entity that has the accounting control over the revenue; the portfolio/entity should not include the cash flow in its deemed appropriations if it is only administering the receipt on behalf of the State or other government entities.
	<p>Additional disclosures</p> 18. A small number of disclosures are also required below the summary of compliance: <ul style="list-style-type: none"> • a statement that the Summary of Compliance is based on the assumption that annual appropriations moneys are spent first, unless otherwise identified or prescribed. • AASB 1058 requirement to provide details of any material variations between the 'total' appropriations and actual expenditure for the year.
Treasury Mandates	
AASB 1058.39(c)	

Treasury Mandates

b) Transfers to the Crown

	2025 \$'000	2024 \$'000
Asset sales proceeds transferred		
Transfers from commercial business unit(s)		
Other transfers [specify]		

Commentary on transfers to the Crown	
Treasury Mandates	Entities must separately disclose transfers to the Crown, including asset sales proceeds transferred and transfers from commercial business units. Where there is only one category of transfers to the Crown, a note disclosure is not required (although, the nature of the transfer must be included on the face of the Statement of Comprehensive Income; e.g. Transfers to the Crown - asset sale proceeds).

AASB 15.113(a)

c) Sale of goods and services from contracts with customers

	2025 \$'000	2024 \$'000
AASB 15.114		
AASB 15.B89		
Sale of goods		
- E.g. Goods A		
- E.g. Goods B		
- XXX		
<i>Subtotal of sale of goods</i>		
AASB 15.114		
AASB 15.B89		
Rendering of services		
- E.g. Customer X/metropolitan areas/short-term contracts		
- E.g. Customer Y/rural and regional areas/long-term contracts		
- XXX		
<i>Subtotal of rendering of services</i>		

Recognition and Measurement

[Agencies should only include the following accounting policy information for material streams of sales of good and services]

Sale of goods

Revenue from sale of goods is recognised as or when the Entity satisfies a performance obligation by transferring the promised goods.

AASB 15.119 (a)-(e)
AASB 15.124-126

Type of Good	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Timber and other forestry products	<p>The performance obligation of transferring these products is typically satisfied at the point in time when the products are delivered to the customer. The products are delivered in accordance with the specifications in the sales contract, such as log length, diameter and species, and delivery is confirmed. Delivery in accordance with the contract denotes acceptance by the customer, and therefore deemed as the point in time when control is transferred to the customer.</p> <p>The payments are typically due within 30 days after the delivery.</p>	<p>Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.</p>
[Describe the nature of the goods that the entity has promised to transfer]	<p>The entity typically satisfied its performance obligations when [insert when the control of the goods is transferred to the customers].</p> <p>[Disclose the significant judgements made in evaluating when a customer obtains control of promised goods if applicable.]</p> <p>The payments are typically due when [XXX.]</p>	<p>[Describe the revenue recognition policies, such as:</p> <ul style="list-style-type: none"> information used to determine the transaction price, significant judgments applied, if applicable how transaction price is allocated to distinct performance obligations and the significant judgments applied in the allocation, if applicable the method used to recognise revenue, e.g. a description of the output/input method used and the significant judgments applied, for performance obligations that the entity satisfy over time

- measuring obligations for returns and refunds
- any financing elements.]

Rendering of services

Revenue from rendering of services is recognised when the Entity satisfies the performance obligation by transferring the promised services.

AASB 15.119 (a)-(e)
AASB 15.124-126

Type of Service	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Public transport services, including those provided via buses, trains, ferries	<p>The performance obligations in relation to public transport services are typically satisfied as the transport services are delivered to the customers, i.e. passengers.</p> <p>Payments from customers are typically received either in advance or at the time of service provision.</p>	<p>The revenue is recognised when the services are provided and measured at the publicly announced prices based on the transport modes and distances travelled. Although in limited circumstances the price is not fully recovered, e.g. due to the shortage of customers' deposit, the likelihood of their occurrences is considered low based on the historical records.</p> <p>Revenue from capped daily charges on weekends are allocated to various public transport services delivered on the relevant days based on relative revenue of the services as if the daily capping had not applied.</p> <p>No significant element of financing is deemed present as payments are made no more than six months before the service delivery on average.</p>
[Describe the nature of the services that the entity has promised to transfer]	<p>The entity typically satisfies its performance obligations when [XXX].</p> <p>[Describe the method used to recognise revenue, e.g. a description of the output/input method used and the significant judgments applied, for performance obligations that the entity satisfies over time;</p> <p>describe when the control of the service is transferred to the customers, and disclose the significant judgements made in evaluating when a customer</p>	<p>[Disclose information used to determine the transaction price, significant judgments applied, if applicable].</p> <p>[Insert how transaction price is allocated to distinct performance obligations and the significant judgments applied in the allocation, discounts and warranties, if applicable.]</p> <p>No element of financing is deemed present as payments are due when service is provided.</p>

obtains control of promised services for performance obligations satisfied at a point in time]

The payments are typically due when [XXX].

Refer to Note 12 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the entity expects to recognise the unsatisfied portion as revenue.

Commentary on revenue from contracts with customers – presentation and disclosure under AASB 15	
AASB 15.113	<p>The following amounts must be disclosed for the reporting period unless those amounts are presented separately in the statement of comprehensive income in accordance with other Standards:</p> <p>(a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue; and</p> <p>(b) any impairment losses recognised (in accordance with AASB 9) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts.</p> <p>An entity shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity shall apply the guidance in paragraphs B87–B89 when selecting the categories to use to disaggregate revenue.</p> <p>AASB 15 also requires disclosure of the following in respect of revenue from contracts with customers:</p> <p>Contract balances Refer to Note 12 for the disclosure requirements of contract balances.</p> <p>Performance obligations</p> <ul style="list-style-type: none"> • information about when the entity typically satisfies its performance obligations; • significant payment terms; • nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (ie if the entity is acting as an agent); • obligations for returns, refunds and other similar obligations; • types of warranties and related obligations; <p>Transaction price allocated to the remaining performance obligations</p> <ul style="list-style-type: none"> • aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and an explanation of when the entity expects to recognise the unsatisfied portion as revenue; <ul style="list-style-type: none"> ○ This should not include those where original contract term is one year or less; or the entity is using the practical expedient in AASB 15.B16, where the right to consideration responds directly to the performance completed to date; ○ This is not required for reporting periods presented before the date of initial application • whether applying the practical expedient in AASB 15.121 and whether any consideration from contracts with customers is not included in the transaction price and, therefore, not included in the information disclosed in accordance with AASB 15.120; <p>Significant judgements</p> <ul style="list-style-type: none"> • judgements, and changes in judgements, in applying AASB 15 that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, the timing of satisfaction of performance obligations and the transaction price and the amounts allocated to performance obligations; • methods used to recognise revenue from performance obligations satisfied <u>over time</u>, and an explanation of why the methods used provide a faithful depiction of the transfer of goods or services; • significant judgements made in evaluating when a customer obtains control of promised goods or services for performance obligations satisfied <u>at a point in time</u>; • information about the methods, inputs and assumptions used for determining the transaction price, assessing whether an estimate of variable consideration is constrained, allocating the transaction price, measuring obligations for returns, refunds and other similar obligations; • judgements in determining the amount of the costs incurred to obtain or fulfil a contract with a customer, and the method used to determine the amortisation; • closing balances of assets recognised from the costs incurred to obtain or fulfil a contract with a customer, by main categories of assets, and the amount of amortisation and any impairment losses recognised in the reporting period; • the fact the entity elected to use the following practical expedients:
AASB 15.119(a) AASB 15.119(b) AASB 15.119(c)	
AASB 15.119(d) AASB 15.119(e)	
AASB 15.120	
AASB 15.121 TC 19-07 AASB 15.C5(d) AASB 15.122	
AASB 15.123	
AASB 15.124	
AASB 15.125	
AASB 15.126	
AASB 15.127	
AASB 15.128	
AASB 15.129	

Commentary on revenue from contracts with customers – presentation and disclosure under AASB 15	
	<ul style="list-style-type: none"> ○ existence of a significant financing component for contracts of one year or less (AASB 15.63); and/or ○ directly expensing incremental costs of obtaining a contract (AASB 15.94).

Treasury Mandates		2025 \$'000	2024 \$'000
	d) Investment revenue		
AASB 7.20(b)	Interest income from financial assets at amortised cost		
AASB 7.20(b)	Interest income from financial assets at fair value through other comprehensive income		
AASB 1058.29(a)(i)	Interest income from statutory receivables		
AASB 16.90(a)	Finance income on the net investment in the lease		
AASB 7.20(a)(i)	Net gain / (loss) from TCorpIM Funds measured at fair value through profit or loss		
AASB 16.90(b)	Rental income		
	- rental income relating to variable lease payments that do not depend on an index or a rate / Contingent rental income		
AASB 16.53(f)	- rental income from subleasing right-of-use assets		
	- other rental income		
AASB 15.58	Royalties		
	Dividends		
	[Specify other major categories]		

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information is required to be disclosed.

In most cases, even where amounts presented are material, accounting policy information in this section of the note is likely to be immaterial. This is because: there are no options permitted by Australian Accounting Standards; there are no significant judgements or assumptions; the accounting required is not complex; and there is no change in accounting policy in the FRC or Treasury Mandates.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

Interest income

AASB 9.5.4.1 Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

Rental income

AASB 16.81 Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

Royalties

- AASB 15.50 Royalties are usually recognised when the underlying performance obligation is satisfied. It is recognised at the estimated amount if the consideration is variable.
- AASB 15.58
AASB 15.B63A Revenue from a sales-based or usage-based royalty promised in exchange for a licence of intellectual property, is recognised only when (or as) the later of the following events occurs:
(a) the subsequent sale or usage occurs; and
(b) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied).
- Dividend income**
- AASB 9.5.7.1A Dividend income is recognised when the entity’s right to receive the payment has been established.

Commentary on investment revenue	
	Interest income
AASB 7.20(b)	1. AASB 7 requires the separate disclosure of interest income (calculated using the effective interest method) from financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income in accordance with AASB 9. 4.1.2A.
AASB 101.82(a)	2. As a consequential amendment to AASB 101, interest revenue calculated using the effective interest method is required to be separately disclosed in the statement of comprehensive income. However, this is subject to materiality.
	Net gain / (loss) from TCorpIM Funds
AASB 7.20(a)(i)	3. Net gains / (losses) on financial assets measured at fair value through profit or loss are required to be disclosed, showing separately those designated at fair value through profit or loss, and those mandatorily measured at fair value through profit or loss.
TPP21-10 AASB 9.B4.1.6	TCorpIM Funds are managed and their performance was evaluated on a fair value basis. Under AASB 9, such a business model requires them to be measured at fair value through profit or loss.

AASB 1058.28
Treasury Mandates e) Retained taxes, fees and fines

	2025 \$'000	2024 \$'000
Taxes [Disclose classes of taxes]		
Fees [Disclose classes of fees]		
Fines [Disclose classes of fines]		

Recognition and Measurement

[Disclose the accounting policies for the recognition and measurement of the above items if material.]

Commentary on retained taxes, fees and fines revenue	
AASB 1058.28 Treasury Mandates	AASB 1058 requires disclosure of income arising from statutory requirements (such as taxes, rates and fines) recognised during the period, disaggregated into categories that reflect how the nature and amount of income (and the resultant cash flows) are affected by economic factors.
AASB 1058.30	Other information that may be appropriate for an entity to disclose includes, for each class of taxation income that the entity cannot measure reliably during the period in which the taxable event occurs: (a) information about the nature of the tax; (b) the reason(s) why that income cannot be measured reliably; and (c) when that uncertainty might be resolved.

		2025	2024
		\$'000	\$'000
AASB 1058.26	f) Grants and Other Contributions		
AASB 1058.31 AASB 1058.26(a)	Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity [Disclose classes of grants]		
AASB 15.113(a) AASB 15.114	Other grants with sufficiently specific performance obligations [Disclose classes of grants]		
AASB 1058.10	Grants without sufficiently specific performance obligations [Disclose classes of grants]		
AASB 1058.26(a)	Donations		
AASB 1058.26(b)	Volunteer services [Specify other major categories]		

		<p>[Refer Note 3(e) for disclosure requirements in AASB 1058.28 and AASB 1058.30] [Refer Note 5 for disclosure requirements in AASB 1058.29(a)] [Refer Note 27 for disclosure requirements in AASB 1058.31 to AASB 1058.33] [Refer also Note 6 for disclosure requirements in AASB 1058.37]</p>	

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

Accounting policy information for grant income is likely to be material and should be disclosed. Grant income can be in the scope of either AASB 15 or AASB 1058, and significant judgement is frequently required in recognising grant income.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

AASB 15.31 AASB 1058.16	Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the entity is recognised when the entity satisfies its obligations under the transfer. The entity satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. [description of the method to recognise income] The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion [explanation of why the methods used provide a faithful depiction of the entity's progress toward satisfying its obligations]. [insert significant judgments applied in determining when performance obligations are satisfied, if applicable]
AASB 1058.35	Revenue from grants with sufficiently specific performance obligations are recognised as and when the Entity satisfies a performance obligation by transferring the promised goods. [insert the description of the nature of the goods or services that the entity has promised to transfer] The entity typically satisfies its performance obligations when XXX. [insert significant judgments applied in determining when performance obligations are satisfied, if applicable]
AASB 15.119 (a) AASB 15.119 (b) AASB 15.119 (c)	[insert the description of the method used to recognise revenue, e.g. a description of the output/input method used, for performance obligations that the Entity satisfies over time]. The payments are typically due when XXX.
AASB 15.124	Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. [Insert significant judgments applied in determining the grant amount, if applicable] [Insert how the total funding amount in a contract is allocated to distinct performance obligations and the significant judgments in determining the allocation, if applicable] No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.
AASB 15.56-57 AASB 15.126	Refer to Note 12 for transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.
AASB 1058.10	Income from grants without sufficiently specific performance obligations are recognised when the entity obtains control over the granted assets (e.g. cash).

AASB 1058.18
TC 19-07

Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined and the services would have been purchased if not donated. Volunteer services are measured at fair value.

AASB 1058.27

Beside the volunteer service recognised, the entity also receives volunteer services of [description of the nature of volunteer services] from XXX. Receipt of these services is not recognised because the services would not have been purchased if not donated.

Commentary on grants and other contributions revenue	
Interpretation 1038 TPP21-08	1. In NSW, all other contributions such as cash grants (to not-for-profit entities), donations, industry and developer contributions that have not been designated as 'contributions by owners' under Interpretation 1038 are recognised as revenue.
AASB 1004.48-53 TPP21-08	2. NSW Treasury designates only certain transfers as a contribution by owners in accordance with Interpretation 1038, including transfers effected by Administrative Arrangements Orders, transfers of programs / functions or parts thereof and 'equity appropriations' that fund payments to adjust a for-profit entity's capital structure. 'Restructures of administrative arrangements' that are subject to AASB 1004 must be accounted for as contributions by owners.
TPP21-08	3. However, where an entity is of the view that other contributions are in the nature of a contribution by owners (i.e. equity adjustment), the entity must approach NSW Treasury for designation in accordance with Interpretation 1038 before the date of transfer.
TPP21-08	4. For a transfer to be designated as a contribution by owners, the entity will need to demonstrate that the transfer reflects a Government policy decision to increase or decrease the financial resources of the entity (i.e. the entity's equity).
TPP21-08	5. A capital (cash) grant will continue to be treated as revenue in line with AASB 15 or AASB 1058, as applicable, unless the payment is intended to fund payments to adjust a for-profit entity's capital structure. For example, where a not-for-profit entity receives a cash grant, this must be treated as revenue rather than equity. This is because not-for-profit entities do not have an established capital structure.
	Recognition
	6. Contributions (other than contributions by owners) are to be recognised as income. The timing of recognition is determined by the requirements in either AASB 15 or AASB 1058, as applicable. Refer to Section "Commentary on revenue" for more details.
	Disclosure on transfers to acquire or construct non-financial assets to be controlled by the entity
AASB 1058.31	7. Disclose opening and closing of financial asset and liability balances arising from grants received to construct recognisable non-financial assets to be used by the entity, and income recognised from these transfers.
AASB 1058.32	8. Disclose information about obligations under such transfers, including a description of when the entity typically satisfies its obligations (for example, as the asset is constructed, upon completion of construction or when the asset is acquired).
AASB 1058.33	9. Disclose explanation of when entity expects to recognise income from liabilities, either: <ol style="list-style-type: none"> (a) Quantitatively, using time bands; or (b) Qualitatively.
AASB 1058.34	10. An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of income arising from transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. In particular, an entity shall explain the judgements, and changes in the judgements, made in determining the timing of satisfaction of obligations.
AASB 1058.35	11. For obligations satisfied over time, disclose the methods used to recognise income and why those methods provide a faithful depiction of progress toward satisfying performance obligations.
AASB 1058.36	12. For obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when it has satisfied its obligations.
AASB 1058.27	13. Entities are encouraged to disclose qualitative information, by major class of transaction, about the nature of the entity's dependence arising from: <ul style="list-style-type: none"> • volunteer services it receives, including those not recognised • inventories held to the achievement of the entity's objectives but not recognised
	Recognition of Volunteer Services
	14. AASB 1058 para 18 mandates that local governments, government departments, general government sectors (GGs) and whole of governments shall recognise an inflow of resources in the form of volunteer services as an asset (or an expense, when the definition of an asset is not met) if both of the following conditions are met: <ol style="list-style-type: none"> (a) the fair value of those services can be measured reliably; and

Commentary on grants and other contributions revenue

(b) the services would have been purchased if they had not been donated.

15. AASB 1058 para 19 allows any not-for-profit entity (including those listed in para 18), as an accounting policy choice, to elect to recognise volunteer services, or a class of volunteer services, if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated.
16. Government departments, GGSs and whole of governments must not adopt the option in AASB 1058 para 19 to recognise volunteer services that can be reliably measured, but would not have been purchased if they had not been donated
17. NSW agencies that are not government departments:
 - must not adopt the option in AASB 1058 para 19 to recognise volunteer services that can be reliably measured, but would not have been purchased if they had not been donated
 - may elect under AASB 1058 para 19 for their standalone financial statements to recognise volunteer services that can be reliably measured, but only where the volunteer services would have been purchased if they had not been donated. i.e. where volunteer services meet both conditions in AASB 1058 para 18
 - must recognise volunteer services in their PRIME returns, where volunteer services can be reliably measured and the volunteer services would have been purchased if they had not been donated (i.e. where volunteer services meet both conditions in AASB 1058 para 18). However, this requirement is waived where the total volunteer services that meet both conditions in AASB 1058 para 18 are less than \$5 million (subject to requirement below for agencies controlled by a department).
 - Agencies that are controlled by a department in accordance with AASB 10 Consolidated Financial Statements must agree in writing whether they need to report to that department, for the purposes of its consolidated financial report, volunteer services that can be reliably measured and the volunteer services would have been purchased if they had not been donated.

g) Acceptance by the Crown of employee benefits and other liabilities

The following liabilities and / or expenses have been assumed by the Crown or other government entities:

		2025 \$'000	2024 \$'000
Treasury Mandates AASB 1004.39 (b) TPG24-23 AASB 1004.39 (b) AASB 1004.39 (b) AASB 101.97	Superannuation – defined benefit Long service leave provision Borrowings [Specify other major categories]		

Commentary on acceptance by the Crown of employee benefits and other liabilities

AASB 1004.39(b)	1. On initial incurrence of the liability, the entity should recognise a liability and an expense. When the liability is assumed by the Crown, the entity shall recognise an income equivalent to the liability assumed. See also Note 2(a).
TC18-10	2. The defined contribution superannuation liability is the responsibility of each entity. It is not assumed by the Crown.
TC18-10	3. The cost of payroll tax on employer superannuation contributions is met by the Crown for certain entities where the Crown meets the employer superannuation contributions.

Treasury Mandates	h) Other Income	2025 \$'000	2024 \$'000
	Forgiveness of liabilities		
	Fee income		
AASB 1059.21-23	Revenue related to service concession arrangement(s)*		
AASB 101.97, 98	[Specify other major categories]		

*This revenue reflects the progressive unwinding of the 'grant of right to operate liability' (Note 27) over the remaining period of the arrangement. Refer to Note 16 for further details on service concession arrangements.

Commentary on other income	
AASB 101.97, 98 Treasury Mandates	On initial incurrence of the liability, the entity should recognise a liability and an expense. When the liability is assumed by the Crown and the assumption is not in the nature of a contribution by owners, the entity shall recognise an income equivalent to the liability assumed. See also Note 2(a).
AASB 1059.21-23	Where the grantor compensates the operator for the service concession asset and the provision of services by granting the operator the right to earn revenue from third-party users of the service concession asset or access to another revenue-generating asset, the exchange is regarded as a transaction that will generate revenue for the grantor. As the right granted to the operator to access the grantor's underlying service concession asset is effective for the period of the service concession arrangement, the grantor does not recognise revenue from the exchange immediately. Instead, a liability is recognised for revenue that is not yet earned. The revenue is then recognised according to the economic substance of the service concession arrangement, and the liability is reduced as revenue is recognised.

4. Gains / (Losses) on Disposal

Treasury Mandates		2025 \$'000	2024 \$'000
AASB 101.34(a), 98(c)(d) AASB 116.68 AASB 138.113 AASB 140.69 AASB 7.20(a)	[Disclose details of the net gain/loss on disposal of relevant classes of assets, see the classes in the commentary below]		

Commentary on gains / (losses) on disposal	
AASB 101.98(c)(d)	Entities are to disclose the net gain/loss on disposal of certain classes of assets, in accordance with AAS, including:
AASB 116.68 AASB 138.113 AASB 16.90(a)	<ul style="list-style-type: none"> • Property, plant and equipment • Intangible assets • Assets for which finance leases are entered into as a lessor
AASB 16.53(i) AASB 140.69 AASB 7R.20(a) Treasury Mandates	<ul style="list-style-type: none"> • from sale and leaseback transactions • Investment properties and • Financial instrument categories, as follows: <ul style="list-style-type: none"> - Financial assets or liabilities measured at fair value through profit or loss, showing separately those designated as such upon initial recognition and those that are mandatorily measured at fair value through profit or loss - investments in equity instruments designated at fair value through other comprehensive income - financial assets measured at fair value through other comprehensive income - financial assets measured at amortised cost (in addition, disclose the reason for derecognising these financial assets); and - Financial liabilities measured at amortised cost.
AASB 7R.20A, AASB 101.82(aa)	

5. Other Gains / (Losses)

	2025 \$'000	2024 \$'000
AASB 136.126(a) AASB 102.36(e) AASB 102.Aus36.1(d) AASB 5.41(c) AASB 101.97 AASB 1058.29(a)(ii)	Impairment losses on non-financial assets - Statutory receivables e.g. taxes, fees, fines)	
AASB 7.20(a)	Gains / (losses) on financial assets at fair value through profit or loss [excluding TCorp/IM Funds which are part of investment revenue] [Disclose details of other gains/losses of relevant classes]	
AASB 101.97 AASB 15.113(b)	Impairment losses on contract assets and receivables from contracts with customers	

Recognition and Measurement

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the entity from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

Trade receivables and contract assets – Note 36

Property, plant and equipment – Note 16

Leases – Note 18

Intangible assets – Note 19

Commentary on other gains / (losses)

AASB 5.41 AASB 7.20(a)(e) AASB 136.126(a) AASB 101.98(a)(f)(g)	1. Entities must disclose material items of gains and losses recognised in the net result, including:
AASB 7.20(a)	<ul style="list-style-type: none"> • Property, plant and equipment revaluations and impairment losses and reversals • Investment properties revaluations fair value gains or losses • Gains or losses resulting from each category of financial instrument (other than through disposal) (not otherwise recognised as investment revenue in Note 3(d)) • Write-down of inventories
AASB 102.36(e) AASB 16.85	<ul style="list-style-type: none"> • Impairment losses on right-of-use assets
AASB 1058.29(a)(ii)	<ul style="list-style-type: none"> • Impairment losses on statutory receivables
AASB 15.113(b)	<ul style="list-style-type: none"> • Impairment losses on contract assets from revenue from contracts with customers
	2. AASB 116, AASB 140 and AASB 5 further explain the accounting treatment for revaluation increments and decrements.

6. Conditions and Restrictions on Income of Not-for-Profit Entities

AASB 1058.37

[Disclose details of conditions and restrictions on income of Not-for-Profit Entities within the scope of AASB 1058 where applicable]

Commentary on conditions on contributions	
AASB 1058.32	1. An entity is required to disclose information about its obligations under transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, including a description of when the entity typically satisfies its obligations
AASB 1058.39(c)	2. An entity is required to disclose any financial consequences for the entity of unauthorised expenditure from parliamentary appropriations and amounts authorised other than by way of appropriation.
AASB 1058.37	3. An entity is encouraged to disclose information about externally imposed restrictions that limit or direct the purpose for which resources controlled by the entity may be used. For example, an entity may elect to disclose an explanation of the judgements used in determining whether funds are restricted and any of, or any combination of, the following: (a) assets to be used for specified purposes; (b) components of equity divided into restricted and unrestricted amounts; and (c) total comprehensive income divided into restricted and unrestricted amounts – either on the face of the statement of profit or loss and other comprehensive income or in the notes.

7. Prior Period Errors

AASB 108.41-49c

[Disclose details of any material prior period errors, as required by AASB 108]

Commentary on Prior Period Errors	
AASB 108.41	1. Errors may occur in respect of the recognition, measurement, presentation or disclosure of elements of the financial statements. For example, errors may be the result of mathematical mistakes, mistakes in applying accounting policies, misinterpretation of facts, fraud or oversights. Errors that relate to the current reporting period are corrected before the financial statements are authorised for issue.
AASB 108.42	2. A material error made in a prior reporting period must be corrected retrospectively in the first financial statements authorised for issue after the error is discovered by restating the comparative information for the prior period(s) presented in which the error occurred; or, if the error occurred before the earliest prior period presented, by adjusting the opening balances of assets, liabilities and equity for the earliest prior period presented.
AASB 108.44-45	3. When it is impracticable to determine the period-specific effects of an error on comparative information, the entity must restate the opening balances for the earliest period for which retrospective restatement is practicable; i.e. the cumulative effect (which may be the current period). When this is impracticable, the entity must restate the comparative information to correct the error prospectively from the earliest date practicable.
AASB 108.49	4. AASB 108 requires that certain disclosures be made in the first financial statements authorised for issue after the prior period error is discovered, including: <ul style="list-style-type: none"> • the nature of the prior period error • for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected and • the amount of the correction at the beginning of the earliest prior period presented. • If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.
AASB 101.10(f)	5. An additional Statement of Financial Position (represented in the pro forma by an additional column) is required as at the beginning of the preceding period when an entity restates items retrospectively in its financial statements; e.g. the correction of an error.

8. Transfer Payments

AASB 1050.22

[Disclose broad categories of recipients and amounts transferred]

Commentary on Transfer Payments	
AASB 1050.17, 20 Treasury Mandates	1. Transfer payments are defined as amounts received by government entities for transfer to eligible beneficiaries consistent with the parameters established by legislation or other authoritative requirements. They are not controlled by the entity. NSW Treasury extends the disclosure requirement to all NSW GGS entities. Examples of transfer payments may include grants and subsidies received on behalf of other entities which are not controlled by the entity.
AASB 1050.23	2. In some cases, it may not be clear whether the entity controls the amounts to be transferred to eligible beneficiaries; e.g. where amounts are appropriated to entities for subsequent transfer but the entity can exercise significant discretion in respect of the amount or timing of payment, the identity of beneficiaries and the conditions under which the payments are to be made. In such cases, preparers of financial statements will need to use their judgement in deciding whether the entity controls the amounts to be transferred.
AASB 1050.21	3. While transfer payments do not qualify for recognition in the financial statements, information about their nature and amount will be relevant for the assessment of the entity's performance.
AASB 1050.22	4. Relevant details of the broad categories of recipients and the amounts transferred to those recipients are to be reported in the notes. This note disclosure is expected to affect only a few entities in New South Wales.

AASB 1052.15(a)

9. Disaggregated disclosure statements for the year ended 30 June 2025 – (Note subject to confirmation for FY2024-25)

	Major Activity Group 1*		Major Activity Group 2*		Not Attributable		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Treasury Mandates	ENTITY'S EXPENSES & INCOME							
AASB 1052.15(c)	Expenses excluding losses							
	Employee related expenses							
	Operating expenses							
	Depreciation and amortisation							
	Grants and subsidies							
	Finance costs							
	Other expenses							
	Total expenses excluding losses							
AASB 1052.15(d)	Revenue							
	Appropriation**							
	(Transfers to the Crown)							
	Sale of goods and services from contracts with customers							
	Investment revenue							
	Retained taxes, fees and fines							
	Grants and other contributions							
	Acceptance by the Crown of employee benefits and other liabilities							
	Other income							
	Total revenue							
	Operating result							
	Gains / (losses) on disposal							
	Impairment losses on financial assets							
	Net gains / (losses) from the derecognition of financial assets measured at amortised cost							
	Other gains / (losses)							
	Net result from continuing operations							
	Net result from discontinued operations							
	Net result							
	Other comprehensive income							
	<i>Items that will not be reclassified to net result in subsequent periods</i>							
	Changes in revaluation surplus of property, plant and equipment							
	Changes in revaluation surplus arising from changes in restoration liability							
	Net gains / (losses) on equity instruments at fair value through other comprehensive income							

AASB 1052.15(a)

9. Disaggregated disclosure statements for the year ended 30 June 2025 – (Note subject to confirmation for FY2024-25)

Treasury Mandates

	Major Activity Group 1*		Major Activity Group 2*		Not Attributable		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ENTITY'S EXPENSES & INCOME	<hr/>							
Others [specify]	<hr/>							
<i>Items that may be reclassified to net result in subsequent periods</i>	<hr/>							
Debt instruments at fair value through other comprehensive income	<hr/>							
- Net gains / (losses) during the period	<hr/>							
- Reclassified to net result	<hr/>							
Others [specify]	<hr/>							
Total other comprehensive income	<hr/>							
TOTAL COMPREHENSIVE INCOME	<hr/> <hr/>							

* The names and purposes of each major activity are summarised below.

** Appropriations are made on an entity basis and not attributable to a single major activity. Consequently, appropriations must be included in the 'Not Attributable' column. Funding distributions from Departments are also unlikely to be attributable to individual major activities.

The names and purposes of each major activity are summarised below.

Treasury Mandates
AASB 1052.16

	Major Activity Group 1*		Major Activity Group 2*		Not Attributable		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current Assets								
Cash and cash equivalents								
Receivables								
Contract assets								
Inventories								
Financial assets at fair value								
Other financial assets								
Other current assets								
Non-current assets held-for-sale								
Total current assets								
Non-current Assets								
Receivables								
Contract assets								
Inventories								
Financial assets at fair value								
Other financial assets								
Property, plant and equipment								
Investment property								
Right-of-use assets								
Intangible assets								
Other non-current assets								
Total non-current assets								
TOTAL ASSETS								
Current liabilities								
Payables								
Contract liabilities								
Borrowings								
Provisions								
Other current liabilities								
Liabilities associated with assets held-for-sale								
Total current liabilities								
Non-current liabilities								
Contract liabilities								
Borrowings								
Provisions								
Other non-current liabilities								
Total non-current liabilities								
TOTAL LIABILITIES								
NET ASSETS								

The names and purposes of each major activity are summarised below.

	Major Activity Group 1*		Major Activity Group 2*		Not Attributable		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Treasury Mandates AASB 1050.8 AASB 1050.7(b)	ADMINISTERED EXPENSES & INCOME							
	Administered Expenses							
	Transfer payments							
	Other							
	Total Administered Expenses							
AASB 1050.7(a)	Administered Income							
	Transfer receipts							
	Consolidated Fund							
	<ul style="list-style-type: none"> • Taxes, fees and fines • Other 							
	Total Administered Income							
	Administered Income less Expenses							

The names and purposes of each major activity are summarised below.

Administered assets and liabilities are disclosed in Note 35.

Commentary on Disaggregated Disclosure Statements	
Treasury Mandates	<p>1. AASB 1052 <i>Disaggregated Disclosures</i> is applicable to government departments. Entities that are not government departments are not be required to present disaggregated disclosures in their financial statements.</p> <p>Disaggregated Disclosure statements must include the same line items as the entity's statement of comprehensive income and statement of financial position.</p>
AASB 1052.15(c)(d) Treasury Mandates	<p>Expenses and income of an entity</p> <p>2. AASB 1052 requires entities to disclose financial information about service costs and achievements on an activity basis. Entities must disclose expenses and income in the Statement of Comprehensive Income that can be attributable to each of the major activities of the entity. Separate disclosure is required of each major class of expenses as identified in the disaggregated disclosure statements. Separate disclosure is also required of user charges, government contributions and other major classes of income as identified in the disaggregated disclosure statements.</p>
AASB 1052.19	<p>Where income and expenditure cannot be attributed to a particular major activity group, the 'Not Attributable' column must be used. Appropriations are made to the entity rather than the major activity group. Therefore, appropriations must be disclosed in the 'Not Attributable' column.</p> <p>Given that appropriations are not attributable to major activity groups, there will be a mismatch between income and expenses at a major activity group level.</p>
AASB 1052.16, 19 Treasury Mandates	<p>Assets and liabilities of an entity</p> <p>3. Entities must also disclose the assets deployed and liabilities incurred that are reliably attributable to their activities. In some instances, it may not be possible to reliably attribute assets and liabilities to each of the activities of the entity. In these circumstances, the 'Not attributable' column must be used.</p>
Treasury Mandates	<p>Reconciliation to entity statements and consolidated statements</p> <p>4. The information disclosed in the disaggregated disclosure statements must be aggregated to agree with the related information in the financial statements of the entity.</p>
Treasury Mandates	<p>5. Where an entity is a parent entity in an economic entity which has presented consolidated financial statements as required by AASB 10 <i>Consolidated Financial Statements</i>, the disaggregated disclosure information must only be disclosed in relation to the economic entity and must be aggregated to agree with the related information in the consolidated financial statements.</p>
Treasury Mandates	<p>6. Where there is only one major activity group, details of the expenses, income, assets and liabilities are not required in the disaggregated disclosure statements as this information is available in the financial statements</p>
AASB 1050.11 TPP 21-03	<p>Administered Expenses and Income</p> <p>7. Administered activities may be defined as those activities that are carried out on behalf of another entity (e.g. the Crown). Therefore, the income and expenses and assets and liabilities relating to those activities should not be recognised in the financial statements of the entity.</p>
AASB 1050.17	<p>8. That is, entities will not recognise as assets or income items such as Consolidated Fund - taxes, fees and fines and other amounts which the entity collects but does not control. Similarly, an entity will not recognise as income and expenses amounts which the entity is responsible for transferring to eligible beneficiaries consistent with legislation or other authority and which the entity does not control.</p>
AASB 1050.11	<p>For example, an entity may be responsible for the levying and / or collection of taxes, fines and fees, the provision of goods and services for which charges are made or the transfer of funds to eligible beneficiaries. Under these arrangements, the entity is not permitted to spend the funds it collects and holds without further authorisation.</p>
AASB 1050.7(a)(b) Treasury Mandates	<p>Administered expenses for NSW GGS entities will predominantly be transfer payments.</p> <p>9. Administered expenses and income are not recognised in the Statement of Comprehensive Income but are required to be disclosed in the complete set of financial statements, showing separately:</p>
AASB 1050.8	<ul style="list-style-type: none"> • each major class of expense and income and • in respect of each of those classes of expenses and income, the amounts that can be attributed to each of the entity's activities and the amounts that cannot be attributed.
AASB 1050.24	<p>10. Administered expenses and income must be reported on the same basis as the entity in terms of the recognition of expenses and income in the financial statements.</p>
Treasury Mandates	<p>11. For entities that may not be required to present disaggregated disclosure statements, the summary of the administered expenses and income must be produced as a note.</p>

Commentary on Disaggregated Disclosure Statements	
AASB 1050.7(c)(d) Treasury Mandates	12. Administered assets and liabilities must also be disclosed, showing separately each major class of asset / liability. Please refer to Note 35 for disclosure of administered assets and liabilities.
AASB 101.41 - 42	<p>Comparative amounts</p> <p>13. When the presentation or classification of items in the financial statements is amended, an entity shall reclassify comparative amounts unless the reclassification is impracticable. When comparative amounts are reclassified, the entity shall disclose (including as at the beginning of the preceding period) the:</p> <ul style="list-style-type: none"> • nature of the reclassification • amount of each item or class of items that is reclassified and • reason for the reclassification. <p>When it is impracticable to reclassify comparative amounts, an entity shall disclose the:</p> <ul style="list-style-type: none"> • reason for not reclassifying the amounts and • nature of the adjustments that would have been made if the amounts had been reclassified.
TPP21-08 Treasury Mandates	14. Comparative information for the disaggregated disclosure statements is not required in the first financial report of a new entity, or in relation to functions transferred into an ongoing entity during the reporting period. However, certain comparative information in regard to the former entity and transferred function is required elsewhere in the notes to the financial statements as a result of TPP21-08.

AASB 1052.15(a)
Treasury Mandates

Major Activity Groups Descriptions

- Major Activity Group 1 [specify name]**
Purpose: [specify]
[Disclose details of major activity group transfers, where applicable]
- Major Activity Group 2 [specify name]**
Purpose: [specify]
[Disclose details of major activity group transfers, where applicable]
- Major Activity Group 3 [specify name]**
Purpose: [specify]
[Disclose details of major activity group transfers, where applicable]

Commentary on major activity groups descriptions	
AASB 1052.15(a) Treasury Mandates	<p>Identity and purpose of major activity groups</p> <p>1. AASB 1052 requires disclosure, in summarised form, of the identity and purpose of each major activity undertaken by the entity during the financial year. AASB 1052 applies to government departments. Treasury Mandates where the department had disaggregated information presented by state outcomes in the 2023-24 Budget Papers, the department should continue to use the state outcomes as the basis of the disaggregation. However, the state outcome names cannot be used, departments are required to rename the state outcomes to a functional description. If the department did not present disaggregated information in the 2023-24 Budget Papers, the department will be required to present disaggregated disclosures on an alternate basis that reflects the major activities of the department.</p>
AASB 1004.57	<p>Transfer of major activity groups</p> <p>2. Where major activity groups are transferred from one entity to another as a result of administrative restructuring, the transferee entity shall disclose the expenses and income attributable to the transferred major activity groups for the reporting period, showing separately those expenses and items of income recognised by the transferor during the reporting period. If this disclosure would be impracticable, the entity shall disclose this fact, together with an explanation of why this is the case.</p>
AASB 1004.58	3. For each material transfer, the assets and liabilities transferred as a consequence of a restructure of administrative arrangements during the reporting period shall be disclosed by class, and the counterparty entity shall be identified. Where transfers are individually immaterial, the assets and liabilities transferred shall be disclosed on an aggregate basis. Refer Note 28.
TPP21-08	4. NSW Treasury's policy requires more detailed disclosures than AASB 1004. The notes to the financial statements of transferee entities are to disclose the following information for accountability and comparability for each transferred function or major activity group:

Commentary on major activity groups descriptions

- The Statement of Comprehensive Income for each transferred activity / group for the whole period, showing separately those expenses and revenues recognised by the transferor entity up to the date of transfer.
 - Comparative figures for the transferred function or major activity group.
 - The summary of material accounting policies note of the transferee entity must briefly articulate the policy for recognising the restructure, including details / amounts of assets and liabilities transferred (per AASB 1004 Para 58) and, where applicable, adjustments to the value of assets and liabilities as a result of the transfer.
5. Where statutory financial statements are required, the transferor entity must briefly articulate the policy for recognising the restructure, including details / amounts of assets and liabilities transferred (consistent with AASB 1004 Para 58) and where applicable, adjustments to the value of assets and liabilities as a result of the transfer.
6. NSW Treasury’s policy requires that for any other equity transfer: i.e. involving transfers of parts of major activity groups / functions etc., the transferor and transferee entity should, as a minimum, briefly articulate in its disclosure of material accounting policies, the policy for recognising the equity transfer, including details / amounts of assets and liabilities transferred (consistent with AASB 1004.58) and, where applicable, adjustments to the value of assets and liabilities as a result of the transfer.
7. Example disclosure - transfer of major activity groups (excluding summary of significant accounting policies note)

TPP21-08

AASB 1004.57
TPP21-08

Note disclosure for Entity B

Major Activity Group X was transferred from Entity A to Entity B as a consequence of a restructuring of administrative arrangements with effect from [date]. The following summarises the expenses and income, recognised by Entity A (up to date of transfer) and Entity B (from date of transfer to year end) for the reporting period. Refer Note 28 for details regarding transferred assets and liabilities.

	Entity A Major Activity Group X 1 July to [transfer date]	Entity B Major Activity Group X [transfer date] to 30 June	2025 Major Activity Group X	2024 Major Activity Group X
Expenses excluding losses				
Employee related				
Operating expenses				
Depreciation and amortisation				
Grants and subsidies				
Finance costs				
Other expenses				
Total expenses excluding losses				
Revenue				
Appropriation (Transfers to the Crown)				
Sale of goods and services from contracts with customers				
Investment revenue				
Retained taxes, fees and fines				
Grants and other contributions				
Acceptance by the Crown of employee benefits and other liabilities				
Other income				
Total revenue				
Operating result				

	Entity A Major Activity Group X 1 July to [transfer date]	Entity B Major Activity Group X [transfer date] to 30 June	2025 Major Activity Group X	2024 Major Activity Group X
Gains / (losses) on disposal				
Impairment losses on financial assets				
Net gains / (losses) from the derecognition of financial assets measured at amortised cost				
Other gains / (losses)				
Net result from continuing operations				
Net result from discontinued operations				
Net result				
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation surplus of property, plant and equipment				
Changes in revaluation surplus arising from changes in restoration liability				
Net gains / (losses) on equity instruments at fair value through other comprehensive income				
Others [specify]				
<i>Items that may be reclassified to net result in subsequent periods</i>				
Debt instruments at fair value through other comprehensive income				
- Net gains / (losses) during the period				
- Reclassified to net result				
Others [specify]				
Total other comprehensive income				
TOTAL COMPREHENSIVE INCOME				
Discontinued operations				
AASB 5 Aus.2.1	8. In limited instances, additional disclosures to those discussed above will be required by the transferor regarding 'discontinued operations' (see AASB 5). AASB 5 does not apply to administrative restructures subject to AASB 1004. However, entities may need to provide additional disclosures under AASB 5.33-36A for transfers other than administrative restructures, for example, where there is a transfer of an operation at nil consideration involving a for-profit statutory authority / PNFC, where it meets the definition of a discontinued operation.			
TPP21-08	A 'discontinued operation' means a component of an entity that has been disposed of or is classified as held for sale and:			
AASB 5.App A	<ul style="list-style-type: none"> • represents a separate major line of business or geographical area of operations • is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or • is a subsidiary acquired exclusively with a view to resale. 			

10. Current Assets – Cash and Cash Equivalents

	2025 \$'000	2024 \$'000
Cash at bank and on hand		
Short-term deposits		
[Specify other major categories]		

AASB 107.6-8,
AASB 107.45-46
AASB 101.54(i)
Treasury Mandates

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with original maturities of three months or less and subject to an insignificant risk of changes in value, and net of outstanding bank overdraft [specify others where applicable].

	2025 \$'000	2024 \$'000
Cash and cash equivalents (per Statement of Financial Position)		
Bank overdraft		
[Specify other adjustments where applicable]		

Refer Note 36 for details regarding credit risk and market risk arising from financial instruments.

Commentary on Cash and Cash Equivalents

AASB 107.6-8	1. Cash and cash equivalents as disclosed in the Statement of Financial Position may differ from the equivalent line item in the Statement of Cash Flows – see below.
AASB 101.32	2. AASB 107 defines cash to include cash on hand and demand deposits. The term 'cash equivalents' is defined to mean short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank overdrafts repayable on demand that are integral to the cash management function are included as a component of cash and cash equivalents.
AASB 107.45-46	3. AASB 101 does not define 'cash and cash equivalents' but it states that assets and liabilities must not be offset unless required or permitted by an Australian Accounting Standard. Cash and cash equivalent assets in the Statement of Financial Position would normally comprise cash on hand, cash at bank and short-term deposits and include deposits in the TCorpIM Cash Fund, other NSW TCorp deposits (less than 90 days) and other at-call deposits that are not quoted in an active market. Bank overdrafts are included within liabilities.
	4. Therefore, the only difference in the disclosure of 'cash and cash equivalent assets' in AASB 101 in the Statement of Financial Position and AASB 107 is that AASB 107 includes certain borrowings (e.g. bank overdraft) while cash and cash equivalent assets in the Statement of Financial Position do not.
	5. Entities must disclose the components of cash and cash equivalents and the policy adopted for determining which items are classified as 'cash and cash equivalents' in the Statement of Cash Flows. The amount of cash as at the end of the financial year in the Statement of Cash Flows must be reconciled to the related item in the Statement of Financial Position.
Treasury Mandates	<p>Administrative restructures</p> <p>6. Where cash is transferred as part of an administrative restructure, the reconciliation of opening and closing cash balances in the Statement of Cash Flows will be affected. To ensure that cash reconciles in the Statement of Cash Flows, the 'opening cash and cash equivalents' figure is to be adjusted to include any cash received or paid as a result of restructuring.</p>

11. Current / Non-Current Assets – Receivables

		2025 \$'000	2024 \$'000
AASB 101.78(b) AASB 7.6			
Treasury Mandates AASB 15.105 AASB 15.116(a) Treasury Mandates AASB 1058.29	Trade receivables from contracts with customers		
	Retained taxes, fees and fines		
	Other receivables		
AASB 7.35H AASB 15.113(b)	Less Allowance for expected credit losses* -Trade receivables from contracts with customers - Retained taxes, fees and fines - Other receivables		
	Total expected credit losses		
AASB 101.78(b)	Prepayments [Specify other major categories]		
AASB 7.35H	<i>*Movement in the allowance for expected credit losses</i>		
		2025 \$'000	2024 \$'000
	Balance at the beginning of the year		
AASB 7.35I AASB 7.35I	Amounts written off during the year		
AASB 7.35H	Amounts recovered during the year		
	Increase/(decrease) in allowance recognised in net results		
	Balance at the end of the year		
AASB 7.36 AASB7.21	Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 36.		
Appendix G	<p>Recognition and Measurement</p> <p>If an amount presented in the financial statements is immaterial in amount and accounting policy information is required to be disclosed.</p> <p>In most cases, where amounts presented are material, it is likely that only inform significant judgements or assumptions involved in assessing impairment of receivab mandated option of recognising regular way contracts at trade date, is material info</p> <p>It may also be necessary to include sufficient information on the accounting treatmer the overall note is understandable. This could involve information from the relevan Accounting Standards.</p> <p>Agencies should amend the accounting policy information to include agency specifi information where appropriate.</p> <p>However, management should make its own assessment.</p> <p>If the agency has made any material changes to their accounting policy, the change should be disclosed.</p>		
AASB 9.3.1.1, B3.1.2, 9.3.1.2 AASB 7.B5(c)	The entity recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when		

the agency becomes a party to the contractual provisions of the instrument, the entity considers:

AASB 9.B3.1.2

- Whether the entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

[Agencies should only disclose the following paragraph where they are purchasing or selling material receivables]

AASB 9.3.1.2
Treasury Mandate

All ‘regular way’ purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

AASB 9.5.1.3

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

AASB 9.5.4.1

The entity holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

AASB 9.5.5.1

The entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

AASB 9.5.5.15
AASB 9.B5.5.35
Treasury Mandates

For trade receivables, the entity applies a simplified approach in calculating ECLs. The entity recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Climate Guidance

[Disclose any material climate-related matters that may have resulted in the impairment of receivables]

Commentary on Receivables	
Classification and Measurement	
AASB15.105	1. Trade receivables from contracts with customers must be disclosed separately from other trade receivables, if applicable.
AASB 9.4.1.1	2. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the entity’s business model for managing them.
AASB 9.B4.1.2	Business model for managing financial assets refers to how an entity manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.
AASB 9.4.1.2	3. Financial assets are measured at amortised cost if both of the following conditions are met: <ul style="list-style-type: none"> • the financial asset is held within a business model with the objective to collect contractual cash flows; and • the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding
AASB 9.4.1.3(a)	For the purposes of applying the SPPI test, ‘the principal’ is described as ‘the fair value of the financial asset at initial recognition’ and may change over the life of the financial asset, as there are repayments of principal and/or unwinding of any premium or discount on acquisition.
AASB 9.4.1.2 AASB 9.5.4.1	4. Agencies usually hold receivables with the objective to collect the contractual cash flows and therefore measure them subsequently at amortised cost using the effective interest method.

Commentary on Receivables	
Interpretation 1031	<p>5. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.</p> <p>Goods and Services Tax</p> <p>6. Receivables and payables must be stated with the amount of GST included. This also includes accruals. Accruals form part of 'receivables' and 'payables' and should be treated similarly. That is, where an accrual is made, it should include GST, even though a tax invoice may not have been received. This is because an event or transaction has occurred that will give rise to GST payable / receivable in the future.</p> <p>7. The net amount of GST recoverable from or payable to the taxation authority must be included as part of receivables or payables.</p> <p>Impairment under AASB 9</p>
Treasury Mandates AASB 9.5.5.15(a)(ii)	8. NSW Treasury mandates the use of the simplified approach in AASB 9 to recognise a loss allowance for expected credit losses on all trade receivables, including those containing a significant financing component.
Treasury Mandates AASB 9.B5.5.35	9. NSW Treasury mandates the application of the practical expedient to calculate expected credit losses on trade receivables using a provision matrix. In order to comply with the AASB 9 requirements, agencies need to consider how current and forward-looking information might affect their customers' historical default rates and, consequently, how the information would affect their current expectations and estimates of expected credit losses.
AASB 9.B5.5.35	10. For example, agencies may consider gross domestic product and the unemployment rate as macroeconomic factors affecting the ability of the customers to settle the receivables. The historical loss rates may be adjusted based on expected changes in these factors. At every reporting date, the historical observed default rates should be updated and changes in the forward-looking estimates should be analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.
AASB 7.35H	11. Note that the agencies' historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.
AASB 15.113(b)	12. AASB 7 requires an entity to disclose by class of financial instrument, a tabular reconciliation of the loss allowance from the opening balance to the closing balance. The reconciliation should include amounts representing the changes in the gross carrying amount of financial instruments that contributed to the changes in the loss allowance (for example, origination or acquisition of assets and write-offs)
AASB 9.Aus2.1.1	13. Impairment losses on receivables from contracts with customers must be disclosed separately from impairment losses on other contracts.
Treasury Mandates	<p>Impairment of receivables that are not a financial asset</p> <p>14. Certain receivables are not financial assets in accordance with AASB 9, such as taxes receivable from a taxpayer. Where material, the basis for recognising and measuring impairment losses on these receivables should be separately disclosed. While statutory receivables may not be a financial asset, para Aus2.1.1 of AASB 9 states that the initial recognition and measurement requirements in AASB 9 apply to non-contractual receivables arising from statutory requirements as if those receivables are financial instruments.</p> <p>Disclosure</p>
AASB 101.78(b)	15. The notes are to disclose receivables, distinguishing between sale of goods and services from contracts with customers, retained taxes, fees and fines, prepayments and other major categories of receivables (e.g. personnel services receivable for entities providing personnel services per TC15-07). Any allowance for impairment of receivables is to be shown as a deduction. The current and non-current portions of receivables are to be separately disclosed.
TC15-07	
AASB 7.8	16. The carrying amounts for each of the categories of financial instruments under AASB 9 must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements. Refer Note 36.
AASB 9.4.4.1	<p>Reclassification</p> <p>17. The following are the general requirements on reclassification:</p> <p>18. In the rare circumstances when an entity changes its business model for managing financial assets, it must reclassify all impacted financial assets according to the basic classification and measurement criteria discussed earlier.</p> <p>19. An entity cannot reclassify financial liabilities.</p> <p>20. In general, reclassifications of financial assets are accounted for prospectively under AASB 9, i.e., they do not result in restatements of previously recognised gains, losses or interest income.</p>

Commentary on Receivables	
AASB 7.12B-12D	21. If the entity has reclassified a financial asset in or out of amortised cost, additional disclosures are required under AASB 7.

12. Contract Assets and Liabilities

	2025 \$'000	2024 \$'000
AASB 15.116(a) Contract assets – current		
AASB 15.116(a) Contract assets – non-current		
AASB 15.113(b) Less: impairment allowance		
<hr/>		
AASB 15.116(a) Contract liabilities – current		
AASB 15.116(a) Contract liabilities – non-current		
<hr/>		
AASB 15.116(a) Contract receivables (included in Note 11)		
<hr/>		

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information is required to be disclosed.

Where amounts presented are material, the accounting policy information in this note provides entity specific information about how the requirements of AASB 15 have been applied and should be disclosed.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

AASB 15.117	Contract assets relate to the entity’s right to consideration in exchange for goods transferred to customers/works completed, but not billed at the reporting date in respect of The balance of contract assets at 30 June 2025 was impacted by [tailor to the specific revenue classes that give rise to contract assets, explaining how the timing of satisfaction of performance obligations relates to the typical timing of payment and the effect that those factors have on the contract asset and the contract liability balances]. The contact asset balance has decreased significantly during the year because [tailor to the specific reason for the significant change in balance]
AASB 15.118 AASB 15.117	Contract liabilities relate to consideration received in advance from customers in respect of The balance of contract liabilities at 30 June 2025 was impacted by [tailor to the specific revenue classes that give rise to contract liabilities, explaining how the timing of satisfaction of performance obligations relates to the typical timing of payment and the effect that those factors have on the contract liability and the contract liability balances]. The contact liability balance has increased significantly during the year because [tailor to the specific reason for the significant change in balance]
AASB 15.118	

		2025 \$'000	2024 \$'000
AASB 15.116(b)	Revenue recognised that was included in the contract liability balance at the beginning of the year		
AASB 15.116(c)	Revenue recognised from performance obligations satisfied in previous periods		
AASB 15.120(a)	Transaction price allocated to the remaining performance obligations from contracts with customers		
AASB 15.120(b)	The Transaction price allocated to the remaining performance obligations relates to [specific revenue class(s)] . [XX] % is expected to be recognised as revenue in the 2025-25 financial year and [XX] % in the 2025-26 financial year.		

Commentary on contract assets and liabilities	
AASB 15.105	1. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.
AASB 15.107	2. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. The contract asset excludes receivables from contracts with customers. An entity shall assess a contract asset for impairment in accordance with AASB 9.
AASB 15.105	3. The following must be disclosed separately: <ul style="list-style-type: none"> • Contract receivables • Contract assets • Contract liabilities <p>If trade receivables include receivables from contracts with customers and other receivables, these should be separately disclosed (refer Note 11).</p>
AASB 15.116(a)	4. Disclose the opening and closing balances of: <ul style="list-style-type: none"> • Receivables • Contract assets • Contract liabilities
AASB 15.116(b)	5. Disclose: <ul style="list-style-type: none"> • Revenue recognised that was included in the contract liability balance at the beginning of the year
AASB 15.116(c)	<ul style="list-style-type: none"> • Revenue recognised from performance obligations satisfied in previous periods
AASB 15.117	6. Explain how the timing of satisfaction of performance obligations (see paragraph 8) relates to the typical timing of payment (see paragraph 8) and the effect that those factors have on the contract asset and the contract liability balances. May use qualitative information.
AASB 15.118	7. Explain significant changes in contract assets and liabilities. Reasons for the change may include: <ul style="list-style-type: none"> • Business combinations • Cumulative catch ups, such as those arising from a change in the measure of progress, a change in an estimate of the transaction price of a contract modification • Impairment of contract assets • Change in timeframe – of contract assets becoming a receivable • Change in timeframe – for performance obligation to be satisfied
AASB 15.119	8. Disclose information about its performance obligations in contracts with customers: <ul style="list-style-type: none"> • when the entity typically satisfies its performance obligations • the significant payment terms • the nature of the goods and services that the entity promised to transfer • obligations for returns, refunds and similar obligations • types of warranties and related obligations
AASB 15.120	9. Disclose the following information about remaining performance obligations:

Commentary on contract assets and liabilities

- the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and
- an explanation of when the entity expects to recognise as revenue the amount disclosed in accordance with paragraph 120(a)

The disclosure can be either on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining performance obligations; or by using qualitative information.

13. Current / Non-Current Assets – Inventories

AASB 101.78(c)
AASB 102.36(b)
AASB
102.Aus36.1

2025 \$'000	2024 \$'000
----------------	----------------

Held-for-distribution

[Specify category - at cost or current replacement cost]

Held-for-resale

[Specify category – at cost or net realisable value]

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information is required to be disclosed.

For inventories, where amounts presented are material, it is likely there will be material information in respect of options and judgements and assumptions in applying AASB 102. For example: techniques to measure and assign costs; assumptions in estimating net realisable value; and estimating losses in service potential for inventories held for distribution.

It may be necessary to also include sufficient information on the accounting treatment, to ensure the overall note is understandable. This could involve information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

If the agency has made any material changes to their accounting policy, the change in policy should be disclosed.

AASB 102.6, 9-
Aus9.2
AASB
102.Aus10.1, 25,
36, Aus36.1

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on [the existence of a current replacement cost that is lower than the carrying amount, or any loss of operating capacity due to obsolescence]. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the [weighted average cost or 'first in first out'] method.

AASB
102.Aus10.1
AASB 102.25
AASB
102.Aus36.1
AASB 102.6

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the entity would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Climate
Guidance

[Disclose any material climate-related matters that may have resulted in the write down of inventories]

Commentary on inventories

AASB 102.36, Aus36.1(b)

1. Entities are to classify inventories into major categories relevant to the entity's operations, e.g. raw materials, work in progress, finished goods, land and buildings (classified as either held for distribution or held for resale). Examples of other inventories include: publications, books and medical supplies. The current and non-current portions are to be separately disclosed.

AASB 102.Aus6.1

2. In respect of not-for-profit entities, inventories held for distribution are assets:

- held for distribution at no or nominal consideration in the ordinary course of operations;
- in the process of production for distribution at no or nominal consideration in the ordinary course of operations; or

Commentary on inventoriesAASB 102.Aus36(c)-(f)
AASB 102.Aus36.1(c)-(h)

- in the form of materials or supplies to be consumed in the production process or in rendering services at no or nominal consideration.
3. Entities should also disclose the following, where applicable:
- the amount of inventories held for distribution recognised as an expense during the period;
 - the amount of any write-down of inventories held for distribution recognised as an expense in the period;
 - the amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories held for distribution recognised as expense;
 - the circumstances or events that led to the reversal of a write-down of inventories held for distribution;
 - the carrying amount of inventories held for distribution pledged as security for liabilities; and
 - the basis on which any loss of service potential of inventories held for distribution is assessed, or the bases when more than one basis is used.

14. Current / Non-Current– Financial Assets at Fair ValueAASB 7.6
Treasury Mandates

	2025 \$'000	2024 \$'000
Derivatives [Disclose per type of derivatives]		
TCorpIM Funds [specify facility]		
Investment in debt financial assets [Disclose per type of debt financial assets]		
Allowance for expected credit losses*		
Investment in equity shares		
Listed shares		
Non-listed shares		
[Specify other major categories]		

AASB 7.35H

*Movement in the allowance for expected credit losses

AASB 7.35H

	2025 \$'000	2024 \$'000
Balance at the beginning of the year		
Increase/(decrease) in allowance recognised in net results		
Balance at the end of the year		

Refer to Note 36 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

Where the amounts presented are material, the accounting in this note is considered complex and the accounting policy information is needed for users to understand this note.

Agencies should amend the accounting policy information to include agency specific information where appropriate

However, management should make its own assessment.

If the agency has made a material change to their accounting policy, the change in policy should be disclosed.

AASB 9.3.1.1, B3.1.2, 9.3.1.2
AASB 7.B5(c)

The entity recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when the agency becomes a party to the contractual provisions of the instrument, the entity considers:

- Whether the entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

[Include the following paragraph when agency is purchasing or selling material financial assets]

AASB 9.3.1.2, AASB 9
Appendix A, Treasury
Mandates

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement

The entity's financial assets at fair value are classified, at initial recognition, as subsequently measured at either fair value through other comprehensive income or fair value through profit or loss.

AASB 9.5.1.1
AASB 9.B5.2.2

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results. Transaction costs of financial assets carried at fair value through other comprehensive income are included as part of their fair value and amortised to net results using the effective interest method.

[Include below if agency has material financial assets at fair value through other comprehensive income]

AASB 9.4.1.2A

Financial assets at fair value through other comprehensive income

The entity measures financial assets at fair value through other comprehensive income when they are held for both collection of contractual cash flows and for selling the financial assets, and where the assets' cash flows represent solely payments of principal and interest.

AASB 9.5.7.10
AASB 9.5.7.11

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in net results. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to net results and recognised in other gains/(losses).

Interest income from these financial assets is included in investment revenue using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

AASB 9.4.1.4
AASB 9.5.7.5

[Include if agency has material financial assets at fair value through other comprehensive income]

The entity has elected to classify irrevocably its equity investments [describe the nature of investments] as designated at fair value through other comprehensive

income, that would otherwise be measured at fair value through profit or loss. These equity investments meet the definition of equity instruments under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

AASB 7.11A(a)(c)	The following equity investments have been designated at fair value through other comprehensive income:
AASB 7.11A(b)(d)(e)	[List equity securities and their respective fair value]
AASB 9.B5.7.1	[Disclose reason for designation, dividends and any transfer of cumulative gain / (loss) within equity at disposal, if any] Gains and losses on these financial assets shall not be subsequently transferred to profit or loss. Dividends are recognised as income under 'investment revenue' when the right of payment has been established.
	<i>Financial assets at fair value through profit or loss</i>
AASB 9.4.1.4 AASB 9.5.7.1	Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.
AASB 9,Appendix A	Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.
AASB 9.4.1.4	Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.
AASB 9.B4.1.6	
AASB 9.4.1.5	Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.
AASB 9.5.7.1R	A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses), except for TCorpIM Funds that are presented in 'investment revenue' in the period in which it arises. <i>[Include if agency has material financial assets at fair value through other comprehensive income]</i> <i>Impairment</i> <i>Impairment of financial assets at fair value through other comprehensive income</i>
AASB 9.5.5.1	The entity recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
AASB 9.5.5.3 AASB 9.5.5.5	ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). In addition, the entity considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.
AASB 9.5.5.11	

AASB 7.35F(a)(ii)

The entity's debt financial assets classified as financial assets at fair value through other comprehensive income are issued by financial institutions that have strong credit ratings and therefore considered to be low credit risk investments. Hence, the entity measures the loss allowance for these debt financial assets at an amount equal to 12-month ECL. However, when there is a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

AASB 7.35F(a)
AASB 7.35G(a)(ii)
AASB 9.B5.5.22-27
AASB 9.5.5.5
AASB 9.5.5.3

The entity uses the ratings from external credit rating agencies both to determine whether there has been a significant increase in credit risk on the debt financial assets and to estimate ECLs. These estimates are performed at every reporting date.

AASB 9.B5.5.23

Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

[Disclose any material climate-related matters that may have impacted the fair value of financial assets]

Climate Guidance

Commentary on Financial Assets at Fair Value

Classification and measurement

AASB 9.4.1.1

1. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

AASB 9.B4.1.2

Business model for managing financial assets refers to how an entity manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

AASB 9.4.1.2A

2. The following are the classification criteria for financial assets at fair value:

AASB 9.4.1.4

- Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest (SPPI), are measured at fair value through other comprehensive income.

AASB 9.4.1.3(a)

- Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

AASB 9.4.1.5

3. For the purposes of applying the SPPI test, 'the principal' is described as 'the fair value of the financial asset at initial recognition' and may change over the life of the financial asset, as there are repayments of principal and/or unwinding of any premium or discount on acquisition.

AASB 9.4.2.2
AASB 9.B4.1.6

4. An entity may irrevocably designate a debt financial asset as measured at fair value through profit or loss on initial recognition. This is allowed if doing so eliminates, or significantly reduces, a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch').

The presence of an accounting mismatch is the only situation in AASB 9 in which the fair value 'election' is available for debt financial assets. This is because financial assets that are managed on a fair value basis and most financial assets with an embedded derivative (which gives rise to cash flows that fail the SPPI test) are required by default to be measured at fair value through profit or loss.

Treasury Mandates

Designation of debt financial assets at fair value through profit or loss requires Treasury approval.

AASB 9.4.3.1

5. An embedded derivative is part of a combined instrument that includes both a derivative and a non-derivative host contract. It causes the cash flows of the host contract to be modified based on a variable such as an interest rate or commodity price. Under AASB 9, financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

AASB 9.4.3.2
AASB 9.4.3.3

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

AASB 9.5.7.5

6. An entity may irrevocably designate an equity instrument as measured at fair value through other comprehensive income on initial recognition. This is allowed when asset is not held for trading or contingent consideration in a business combination. Under this option, only qualifying dividends are recognised in net results. Changes in fair value are recognised in other comprehensive income and never reclassified to net results, even if the asset is impaired, sold or otherwise derecognised.

AASB 9.B5.7.1

Treasury Mandates

7. Designation of equity instruments at fair value through other comprehensive income requires Treasury approval. Treasury believes that such designations should only be made in exceptional circumstances i.e. where they are medium to long-term strategic investments.

AASB 7.11A	8. An entity that decides to designate an equity investment at fair value through other comprehensive income will have to disclose the reasons for doing this as well as the fair value of each investment. Dividends recognised during the period from those investments derecognised during the period and those outstanding at year end should be separately disclosed. A separate disclosure of any transfers of cumulative gain or loss within equity as well as the reason for those transfers are required.
AASB 7.11B	9. If an entity derecognised its investments in equity instruments measured at fair value through other comprehensive income during the reporting period, it shall disclose: <ul style="list-style-type: none"> • the reasons for disposing of the investments. • the fair value of the investments at the date of derecognition • the cumulative gain or loss on disposal.
AASB 9.B5.2.3	10. All investments in equity instruments and contracts on those instruments must be measured at fair value. However, there are limited circumstances where cost may provide an appropriate estimate of fair value. Examples - (a) insufficient more recent information to measure fair value; or (b) cost represents the best estimate of fair value within a wide range of possible fair value measurements.
AASB 9.B5.2.4	Indicators that cost might not be representative of fair value include: <ul style="list-style-type: none"> • significant change in the performance of the investee compared with budgets, plans or milestones; • changes in expectations that the investee's technical product milestones will be achieved; • a significant change in the market for the investee's products, global economy, economic environment in which the investee operates; • performance of competitors, matters such as fraud, commercial disputes, litigation, changes in management or strategy; or • evidence of external transactions in the investee's equity.
Treasury Mandates AASB 9.5.5.10	<p>Impairment of financial assets at fair value through other comprehensive income</p> <p>11. NSW Treasury mandates the use of the low credit risk simplification. Under this approach, if a financial instrument has a low credit risk, an entity is allowed to assume that no significant increases in credit risk have occurred at the reporting date.</p> <p>The low credit risk concept is intended to provide relief from tracking changes in the credit risk of high quality financial instruments.</p>
AASB 9.B5.5.22-24	<p>12. The standard states that a financial instrument is considered to have low credit risk if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily reduce the ability of the borrower to fulfil its contractual cash flow obligations. However, collateral does not influence whether a financial instrument has a low credit risk.</p> <p>13. The description of low credit risk is broadly equivalent to what rating agencies define as 'investment grade' quality assets. This is equivalent to or better than a rating of BBB- by Standard & Poor's and Fitch or Baa3 for Moody's. Nevertheless, it is important to emphasise that the default rates provided by external rating agencies are historical information. Entities need to understand the sources of these historical default rates and update the data for current and forward-looking information when measuring ECLs or assessing credit deterioration. Also, although ratings are forward-looking, it is sometimes suggested that changes in credit ratings may not be reflected in a timely manner. Therefore, entities may have to take account of expected change in ratings in assessing whether exposures are low risk.</p>
AASB 7.35H	14. AASB 7 requires an entity to disclose by class of financial instrument, a tabular reconciliation of the loss allowance from the opening balance to the closing balance. The reconciliation should include amounts representing the changes in the gross carrying amount of financial instruments that contributed to the changes in the loss allowance (for example, origination or acquisition of assets and write-offs)
AASB 9.4.4.1	<p>Reclassification</p> <p>15. The following are the general requirements on reclassification:</p> <ul style="list-style-type: none"> • In the rare circumstances when an entity changes its business model for managing financial assets, it must reclassify all impacted financial assets according to the basic classification and measurement criteria discussed earlier. • An entity cannot reclassify financial liabilities.
AASB 9.4.4.2	In general, reclassifications of financial assets are accounted for prospectively under AASB 9, i.e., they do not result in restatements of previously recognised gains, losses or interest income.

AASB 7.12B-12D	If the entity has reclassified a financial asset out of the fair value through profit or loss category or the fair value through other comprehensive income category, there are additional disclosures required under AASB 7.
	Disclosure
Treasury Mandates	16. The notes are to disclose financial assets at fair value, separately disclosing derivatives, TCorpIM Funds (other than the TCorpIM Cash Fund which is included as 'cash assets'), shares and other major categories. The TCorpIM Funds investment facilities that are normally part of the 'financial assets at fair value' category include the Short Term Income Fund, Medium Term Growth Fund, Long Term Growth Fund. The current and non-current portions are to be separately disclosed. However, AASB 101 requires assets held primarily for trading in accordance with AASB 9 to be classified as current assets.
AASB 101.66	
AASB 7.8 AASB 101.78	17. The carrying amounts for each of the categories of financial instruments must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements. Refer Note 36.

15. Current / Non-Current – Other Financial Assets

Treasury Mandates		2025 \$'000	2024 \$'000
	Other loans and deposits		
	Advances receivable		
	Receivables on finance leases as lessor (Note 18)		
	[Specify other major categories]		
	Allowance for expected credit losses*		
AASB 7.35H	<i>*Movement in the allowance for expected credit losses</i>		
		2025 \$'000	2024 \$'000
	Balance at the beginning of the year		
	Increase/(decrease) in allowance recognised in net results		
	Balance at the end of the year		

AASB 7.31-42 Refer to Note 36 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and Measurement

Appendix G	<p>If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.</p> <p>Where the amounts presented are material, the accounting in this note is considered complex and the accounting policy information is needed for users to understand this note.</p> <p>Agencies should amend the accounting policy information to include agency specific information where appropriate.</p> <p>However, management should make its own assessment.</p> <p>If the agency has made a material change to their accounting policy, the change in policy should be disclosed.</p>
------------	---

[Include the following paragraph when the agency is has purchased or sold material other financial assets and recognised these a trade date.]

AASB 9.3.1.2
AASB 7.B5(c)
Treasury Mandates All 'regular way' purchases or sales of other financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of other financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

AASB 9.5.1.1 Other financial assets are initially measured at fair value plus any transaction cost.

Subsequent measurement

Financial assets at amortised cost

AASB 9.4.1.2 Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as separate line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.

AASB 9.3.2.12

Impairment

AASB 9.5.5.1 The entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

AASB 9.5.5.3 ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events possible within the next 12-months (i.e. a 12-month ECL). If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. a lifetime ECL). In addition, the entity considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

AASB 9.5.5.5

AASB 9.5.5.11 The entity's term deposits are issued by financial institutions that have strong credit ratings and therefore considered to be low credit risk investments. Hence the entity measures the loss allowance for term deposits at an amount equal to 12-month ECL. AASB 7.35F(a)(ii) However, when there is a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

AASB 7.35F(a)
AASB 7.35G(a)(ii)
AASB 9.B5.5.22-27
AASB 9.5.5.5
AASB 9.5.5.3

AASB 9.5.5.3 The entity uses the ratings from external credit rating agencies both to determine whether there has been a significant increase in credit risk on the deposits and to estimate ECLs. These estimates are performed at every reporting date.

AASB 9.B5.5.23

AASB 9.5.5.15(b) For lease receivables, the entity applies the simplified approach permitted by AASB 9, Treasury Mandates where the loss allowance is based on lifetime ECLs.

Commentary on Other Financial Assets

Disclosure

Treasury Mandates 1. The notes are to disclose other financial assets, separately disclosing other loans and deposits (e.g. NSW TCorp deposits greater than 90 days), advances receivable and other major categories of investments. The current and non-current portions are to be separately disclosed.

AASB 7.8 2. The carrying amounts for each of categories of financial instruments must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements. Refer Note 36.

Classification and measurement

AASB 9.4.1.1 3. The classification of other financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

AASB 9.B4.1.2 Business model for managing financial assets refers to how an entity manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortised cost

AASB 9.4.1.2 4. Financial assets are measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Commentary on Other Financial Assets	
AASB 9.4.1.3(a)	5. For the purposes of applying the SPPI test, 'the principal' is described as 'the fair value of the financial asset at initial recognition' and may change over the life of the financial asset, as there are repayments of principal and/or unwinding of any premium or discount on acquisition.
Treasury Mandates AASB 9.5.5.10	<p>Impairment</p> <p>6. NSW Treasury mandates the use of the low credit risk simplification. Under this approach, if a financial instrument has a low credit risk, an entity is allowed to assume that no significant increases in credit risk have occurred at the reporting date.</p> <p>The low credit risk concept is intended to provide relief from tracking changes in the credit risk of high-quality financial instruments.</p>
AASB 9.B5.5.22-24	<p>7. The standard states that a financial instrument is considered to have low credit risk if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily reduce the ability of the borrower to fulfil its contractual cash flow obligations. However, collateral does not influence whether a financial instrument has a low credit risk.</p> <p>8. The description of low credit risk is broadly equivalent to what rating agencies define as 'investment grade' quality assets. This is equivalent to or better than a rating of BBB- by Standard & Poor's and Fitch or Baa3 for Moody's. Nevertheless, it is important to emphasise that the default rates provided by external rating agencies are historical information. Entities need to understand the sources of these historical default rates and update the data for current and forward-looking information when measuring ECLs or assessing credit deterioration. Also, although ratings are forward-looking, it is sometimes suggested that changes in credit ratings may not be reflected in a timely manner. Therefore, entities may have to take account of expected changes in ratings in assessing whether exposures are low risk.</p>
AASB 9.5.5.15(b) Treasury Mandates	9. NSW Treasury mandates the simplified approach to recognise a loss allowance for all lease receivables within the scope of AASB 16, as applicable. Therefore, the entity is not required to track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The entity should establish a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the lease receivables.
AASB 7.35H	10. AASB 7 requires an entity to disclose by class of financial instrument, a tabular reconciliation of the loss allowance from the opening balance to the closing balance. The reconciliation should include amounts representing the changes in the gross carrying amount of financial instruments that contributed to the changes in the loss allowance (for example, origination or acquisition of assets and write-offs)
AASB 9.4.4.1	<p>Reclassification</p> <p>11. The following are the general requirements on reclassification:</p> <ul style="list-style-type: none"> • In the rare circumstances when an entity changes its business model for managing financial assets, it must reclassify all impacted financial assets according to the basic classification and measurement criteria discussed earlier. • An entity cannot reclassify financial liabilities.
AASB 9.4.4.2	In general, reclassifications of financial assets are accounted for prospectively under AASB 9, i.e., they do not result in restatements of previously recognised gains, losses or interest income.
AASB 7.12B-12D	If the entity has reclassified a financial asset in or out of amortised cost, additional disclosures are required under AASB 7.
AASB 9.B5.1.1	<p>Interest free or low interest loans</p> <p>12. An interest free or low interest loan or receivable must initially be measured at its fair value plus any transaction cost, if it is not measured at fair value through profit or loss. The entity must first assess the classification of the loan depending on its cash flow characteristics and the agency's business model for managing them. In most instances, interest free or low interest loans have cash flows that are solely payments of principal and interest and for which the entity intends to hold to collect contractual cash flows. As such, they are measured at amortised cost and subsequently amortised using the effective interest method.</p>
TPP21-10	13. The fair value of a long-term loan or receivable that carries no or low interest can be estimated as the present value of all future cash receipts discounted using the prevailing market rates of interest for a similar instrument with a similar credit rating. Any additional amount lent is an expense or grant unless it qualifies for recognition as some other type of asset. In the public sector context, the market rate of interest is generally represented by the NSW TCorp government bond rate, for the relevant term of the loan.

16. Property, Plant and Equipment

(a) Total property, plant and equipment

AASB 101.78(a)
AASB 116.73(d)

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 1 July 2023 – fair value				
Gross carrying amount				
Accumulated depreciation and impairment				
Net carrying amount				
Year ended 30 June 2024				
Net carrying amount at beginning of year				
Purchases of assets				
Reclassification to assets held for sale				
Disposals				
Acquisitions through administrative restructures				
Net revaluation increments less revaluation decrements				
Impairment losses* (recognised in 'other gains/losses')				
Depreciation expense				
Other movements [specify]				
Net carrying amount at end of year				
At 1 July 2024 – fair value				
Gross carrying amount				
Accumulated depreciation and impairment				
Net carrying amount				
Year ended 30 June 2025				
Net carrying amount at beginning of year				
Purchases of assets				
Reclassification to assets held for sale				
Disposals				
Acquisitions through administrative restructures				
Net revaluation increments less revaluation decrements				
Impairment losses* (recognised in 'other gains/losses')				
Depreciation expense				
Other movements [specify]				
Net carrying amount at end of year				
At 30 June 2025 – fair value				
Gross carrying amount				
Accumulated depreciation and impairment				
Net carrying amount				

AASB 1059.28(c)(ii)

The net carrying amount of service concession assets included in [specify the relevant class of property, plant and equipment] is \$XX as at 30 June 2025 (30 June 2024: \$XX). During the current period, the net carrying amount of \$XX (FY2023-24: \$XX) for existing assets of the entity has been reclassified as service concession assets.

*[For additional details regarding impairment losses / reversals – refer AASB 136.126-137]

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 22.

(b) Property, plant and equipment held and used by the entity

AASB 16.95

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 1 July 2023 – fair value				
Gross carrying amount				
Accumulated depreciation and impairment				
Net carrying amount				
Year ended 30 June 2024				
Net carrying amount at beginning of year				
Purchases of assets				
Reclassification to assets held for sale				
Disposals				
Acquisitions through administrative restructures				
Net revaluation increments less revaluation decrements				
Impairment losses* (recognised in 'other gains/losses')				
Depreciation expense				
Other movements [specify]				
Net carrying amount at end of year				
At 1 July 2024 – fair value				
Gross carrying amount				
Accumulated depreciation and impairment				
Net carrying amount				
Year ended 30 June 2025				
Net carrying amount at beginning of year				
Purchases of assets				
Reclassification to assets held for sale				
Disposals				
Acquisitions through administrative restructures				
Net revaluation increments less revaluation decrements				
Impairment losses* (recognised in 'other gains/losses')				
Depreciation expense				
Other movements [specify]				
Net carrying amount at end of year				
At 30 June 2025 – fair value				
Gross carrying amount				
Accumulated depreciation and impairment				
Net carrying amount				

*[For additional details regarding impairment losses / reversals – refer AASB 136.126-137]

(c) Property, plant and equipment where entity is lessor under operating leases

AASB 16.95

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 1 July 2023 – fair value				
Gross carrying amount				
Accumulated depreciation and impairment				
Net carrying amount				
Year ended 30 June 2024				
Net carrying amount at beginning of year				
Purchases of assets				
Reclassification to assets held for sale				
Disposals				
Acquisitions through administrative restructures				
Net revaluation increments less revaluation decrements				
Impairment losses* (recognised in 'other gains/losses')				
Depreciation expense				
Other movements [specify]				
Net carrying amount at end of year				
At 1 July 2024 – fair value				
Gross carrying amount				
Accumulated depreciation and impairment				
Net carrying amount				
Year ended 30 June 2025				
Net carrying amount at beginning of year				
Purchases of assets				
Reclassification to assets held for sale				
Disposals				
Acquisitions through administrative restructures				
Net revaluation increments less revaluation decrements				
Impairment losses* (recognised in 'other gains/losses')				
Depreciation expense				
Other movements [specify]				
Net carrying amount at end of year				
At 30 June 2025 – fair value				
Gross carrying amount				
Accumulated depreciation and impairment				
Net carrying amount				

*[For additional details regarding impairment losses / reversals – refer [AASB 136.126-137](#)]

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

Accounting for property, plant and equipment requires significant judgements and assumptions. For example, in estimating fair value and determining useful lives. Therefore, the accounting policy information is likely material and should be disclosed.

Certain parts of this note may be immaterial. There are additional prompts in this note where this may be the case.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

Acquisition of property, plant and equipment

AASB 116.6, 15, 31

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

AASB 116.6
AASB 13.9

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

AASB 116.23

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

AASB 116.Aus15.1

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 28).

Capitalisation thresholds

TPP06-6

Property, plant and equipment and intangible assets costing \$5,000 [or amount determined by the entity] and above individually (or forming part of a network costing more than \$5,000) are capitalised.

Major inspection costs

AASB 116.14

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Restoration costs

AASB 116.16(c)

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Assets not able to be reliably measured

[Remove disclosure if agency does not hold any assets not able to be reliably measured]

Framework 83
AASB 116.G1-G4
TPP21-09

The entity holds certain assets that have not been recognised in the Statement of Financial Position because the entity is unable to measure reliably the value for the assets and those assets are likely to be material. These assets are: [provide details of the quantum, nature and function of assets; reasons for the inability to obtain a reliable value; the heritage significance, where applicable; and an estimate of the annual costs of maintenance or preservation, where applicable].

Depreciation of property, plant and equipment

AASB 116.50
TPP21-09

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity.

AASB 116.43

TPP21-09
AASB 116.61, G1-G4

All material identifiable components of assets are depreciated separately over their useful lives.

AASB 116.73(b)(c)

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

[Disclose details regarding useful lives or depreciation rates of each class of depreciable assets and other disclosures as required by AASB 116, where applicable].

Treasury Mandates

Right-of-Use Assets acquired by lessees

The entity has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at Note 18.

Service concession assets

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

Where amounts are material, the accounting for service concession arrangements is considered complex and the accounting policy will be material information that should be disclosed.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

If the agency has made a material change to their accounting policy, the change in policy should be disclosed.

AASB 1059.28

Service concession arrangements (SCAs) are contracts between a grantor and an operator where an operator provides public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and manages at least some of those services.

Based on the entity's assessment, the following arrangements fall in the scope of AASB 1059:

[Please tailor the disclosure to be specific to agency's arrangements, including consideration of:

- Unique facts and circumstances
- Materiality
- Appropriate aggregation where you have more than one SCA]

Description	Service concession arrangement 1	Service concession arrangement 2	Service concession arrangement 3
Name & description of the SCA OR group of SCAs			
Period of the arrangement			
Terms of the arrangement	[specify significant terms of the arrangement, where applicable]	[specify significant terms of the arrangement, where applicable]	[specify significant terms of the arrangement, where applicable]
Rights and obligations	[specify rights from the operator and obligations to the operator, where applicable]	[specify rights from the operator and obligations to the operator, where applicable]	[specify rights from the operator and obligations to the operator, where applicable]
Changes in arrangements occurred during the FY2024	[specify the changes, where applicable]	[specify the changes, where applicable]	[specify the changes, where applicable]
Changes in arrangements occurred during the FY2025	[specify the changes, where applicable]	[specify the changes, where applicable]	[specify the changes, where applicable]

The carrying amount of service concession assets as at 30 June 2024 (\$'000)	[specify the relevant class of PP&E]	[specify the relevant class of PP&E]	[specify the relevant class of PP&E]
The carrying amount of service concession assets as at 30 June 2025 (\$'000)	[specify the relevant class of PP&E]	[specify the relevant class of PP&E]	[specify the relevant class of PP&E]

i. Initial recognition

For arrangements within the scope of AASB 1059, the entity recognises a service concession asset when it controls the asset. Where the asset is provided by the operator, or is an upgrade to or a major component replacement of an existing asset of the entity, the asset is recognised at current replacement cost based on AASB 13 *Fair Value Measurement* principles.

- ii. Where the asset is an existing asset of the entity, the asset is reclassified as a service concession asset and remeasured at current replacement cost at the date of reclassification. Any difference between the previous carrying amount and current replacement cost is recognised as if it is a revaluation of the asset.

Subsequent to the initial recognition or reclassification, the service concession asset is measured at current replacement cost and accounted for in accordance with the depreciation and impairment requirements of AASB 116 *Property, Plant and Equipment*, [AASB 138 *Intangible Assets*] and AASB 136 *Impairment of Assets*.

- iii. At the end of the arrangement

At the end of the service concession arrangement:

- the entity accounts for the asset in accordance with other AAS, with the entity reclassifying the asset based on its nature or function;
- reference to fair value reverts from the mandated current replacement cost under AASB 1059 to the appropriate approach under AASB 13; and
- the asset is only derecognised when the entity loses control of the asset in accordance with AASB 116 [AASB 138].

Revaluation of property, plant and equipment

[The accounting policy information may be immaterial for agencies that do not hold material assets subject to revaluation.]

AASB 116.29, 31, 73-79
TPP21-09, TD21-05
Treasury Mandates

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP21-09) and Treasurer's Direction *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 13, AASB 116 and AASB 140 *Investment Property*.

AASB 13.27-28
TPP21-09

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use..

AASB 13.29.1

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (AASB 2022-10) applies to annual periods beginning on or after 1 January 2024. AASB 2022-10 amends AASB 13 *Fair Value Measurement* (AASB 13). For non-financial assets of not-for-profit public sector entities that are not held primarily for their ability to generate net cash inflows, there is a rebuttable assumption that current use is highest and best use, unless the asset is classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or it is highly probable the asset will be used for an alternative purpose to its current use (AASB 13.Aus29.1 and Aus29.2).

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 22 for further information regarding fair value.

AASB 13.61-62
TPP21-09

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The entity conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. The last comprehensive revaluation was completed on [date] and was based on an independent assessment.

AASB 116.31, 77
TPP21-09

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. [An interim [formal/management] revaluation was completed on [date] as a result of a cumulative [increase / decrease] in indicators of [X]%. The entity used an external professionally qualified valuer to [conduct / review] the interim revaluation].

TPP21-09

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

AASB 116.35(b)
TPP21-09

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

AASB 116.Aus39.1

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

AASB 116.Aus40.1

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

AASB 116.Aus40.2

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

TPP21-09
AASB 116.35(a)
AASB 116.35(b)

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

AASB 116.41
Treasury Mandates

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

AASB 116.51

Impairment of property, plant and equipment

TPP21-09
AASB 136.Aus6.2

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

AASB 136.9

The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

AASB 136.59

AASB 136.Au5.1

AASB 136.60
AASB 136.Aus61.1

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

AASB 136.114
AASB 136.117

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

AASB 136.119
AASB 136.Aus120.1

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. The reversal is recognised in other comprehensive income and is treated as a revaluation increase, except to the extent that an impairment loss on the same class of asset was previously recognised in net result, then the reversal recognised in net result.

Climate Guidance

[Effects of Climate Related Matters – if applicable]

[Agencies should disclose the impact of material climate related matters that have affected:

- the estimated residual value and expected useful lives of assets
- fair value of property, plant and equipment assets
- non-financial asset impairment]

Commentary on Property, Plant and Equipment	
	Classification
Treasury Mandates	1. The notes to the Statement of Financial Position are to disclose separately 'land and buildings', 'plant and equipment', 'infrastructure systems'.
AASB 16.47 Treasury Mandates	2. Under AASB 16, entities shall present the right-of-use assets separately in the statement of financial position.
Treasury Mandates	3. Certain assets within the NSW GGS are normally classified as a separate class of infrastructure systems: for example, roads, bridges, water infrastructure and distribution works, sewerage treatment plants, seawalls and water reticulation systems. Land, buildings, plant or equipment which form an integral part of these infrastructure assets are to be disclosed as part of this class of assets.
Treasury Mandates	4. Surplus property, plant and equipment (not 'held for sale' in accordance with AASB 5) must be included within either 'land and buildings', 'plant and equipment' or 'infrastructure systems'. These assets do not meet the definition of 'financial assets' in the AAS which only include cash, a contractual right to receive cash and a contractual right to exchange financial instruments or equity instruments. Surplus assets, however, may be disclosed as a separate sub-category within 'land and buildings', 'plant and equipment' and 'infrastructure systems' in the notes.
AASB 5.3, 25	5. However, where property, plant and equipment meet the criteria for 'held-for-sale' per AASB 5, they must be reclassified as current assets and are no longer depreciated. Refer Note 21.
	Investment property
	6. Owned or right-of use assets that are investment properties in accordance with AASB 140 Investment Property are presented separately to property, plant and equipment. Refer to Note 17.
	Service Concession Arrangements
AASB 1059.28	7. Entities shall consider disclosing qualitative and quantitative information about their service concession arrangements, including the following: <ol style="list-style-type: none"> a) a description of the arrangement; b) significant terms of the arrangements that may affect the amount, timing and uncertainty of future cash flows (e.g. the period of the arrangement, re-pricing dates and the basis upon which repricing or renegotiation is determined); c) the nature and extent (e.g. quantity, time period, or amount, as appropriate) of: <ol style="list-style-type: none"> i. rights to receive specified services from the operator;

Commentary on Property, Plant and Equipment	
AASB 1059.29	<ul style="list-style-type: none"> ii. the carrying amount of service concession assets as at the end of the reporting period, including separate disclosure for existing assets of the grantor reclassified as service concession assets during the reporting period; iii. rights to receive specified assets at the end of the arrangement; iv. renewal and termination options; v. other rights and obligations (e.g. major overhaul of service concession assets); and vi. obligations to provide the operator with access to service concession assets or other revenue-generating assets. <p>d) changes in arrangements occurring during the reporting period. The disclosures required to meet the objective of AASB 1059's disclosure requirements will depend on the facts and circumstances of individual arrangements.</p> <p>8. When existing assets previously measured using market or income approach are reclassified to service concession assets in accordance with AASB1059, the entity should disclose the change in valuation technique as a change in accounting estimate.</p> <p>9. Disclosures should be included individually for each material service concession arrangement or in aggregate for service concession arrangements involving services of a similar nature, in addition to disclosures required by AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets, where required.</p> <p>10. Entities should decide the basis of classification depending on size, nature and function of the amounts involved. Where material, service concession assets could be presented as a separate class of assets within PPE or intangible assets.</p>
AASB 116.73(d)(e)	<p>Reconciliations</p> <p>11. AASB 116 requires disclosure of the gross carrying amount and accumulated depreciation and impairment losses for each class of property, plant and equipment at the beginning and end of the reporting period.</p>
AASB 116.73(f) TPP21-09	<p>12. A reconciliation must also be provided of each class of property, plant and equipment at the beginning and end of the reporting period, disclosing specified categories. The reconciliation should include additions, assets classified as held for sale, acquisitions through business combinations, increases/decreases from revaluations, impairments losses recognised, impairments losses reversed, depreciation, net exchange differences arising on the translation of the financial statements and other changes.</p>
AASB 16.88 Treasury Mandates	<p>Operating leases as lessor</p> <p>13. Where the entity is the lessor for operating leases, the underlying assets are classified based on their nature as 'land and buildings', 'plant and equipment', 'infrastructure systems'. Further disclosures in respect of assets under where the entity is lessor under operating leases are contained in Note 18</p>
AASB 116.29 TPP21-09	<p>Revaluations</p> <p>14. For an outline of the valuation policies for the NSW Public Sector, see AASB 116, AASB 13 and NSW Treasury Policy and Guidelines Paper 'Valuation of Physical Non-Current Assets at Fair Value' (TPP21-09).</p>
TPP21-09 Treasury Mandates	<p>15. AASB 116 requires entities to measure a class of non-current assets on either the cost basis or fair value basis, subsequent to initial recognition. In accordance with TPP21-09, NSW Treasury requires entities to adopt fair value in regard to physical non-current assets.</p>
AASB 116.35(a) TPP21-09 Treasury Mandates	<p>16. In accordance with TPP21-09, where the entity has assessed that the difference between fair value and depreciated historical cost for non-specialised assets with short useful lives is unlikely to be material, measurement at depreciated historical cost is an acceptable surrogate for fair value. These assets do not require fair value hierarchy disclosures in accordance with AASB 13. In accordance with AASB 116, para 35(a) and TPP21-09, when revaluing non-current assets, NSW entities are to separately proportionally restate the gross amount and the related accumulated depreciation when an entity revalues depreciable assets using the cost approach.</p>
AASB 116.35(b) TPP21-09 Treasury Mandates	<p>17. Conversely, where the income approach or market approach is used to revalue assets, any accumulated depreciation must be eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset (in accordance with paragraph 35(b) of AASB 116).</p>
AASB 116.31 TPP21-09	<p>18. AASB 116 requires fair value revaluations to be kept up to date. This means revaluations must be made with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the reporting date. To comply with the Standard, TPP21-09 includes requirements regarding the conduct of revaluations. For example, entities must conduct a comprehensive revaluation:</p>

Commentary on Property, Plant and Equipment

<p>TPP21-09</p>	<p>At least every 3 years for land and buildings, (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique for that asset under AASB 13</p> <p>At least every 5 years for all other classes of property, plant and equipment.</p> <p>19. Revaluations must be performed in time for Treasury's mandatory early close procedures. Revalued assets must be depreciated based on the revalued amounts from the day after the date of the revaluation. At reporting date, the fair value must again be assessed for any material movement in fair value. Where there is an indication that the carrying amount differs materially from fair value entities must update asset values, for example, by using relevant indices to roll forward the balances to year end.</p>
<p>TPP21-09</p>	<p>20. TPP21-09 includes additional requirements regarding interim revaluations, use of indicators/indices and external professionally qualified valuers, and the management of a revaluation.</p>
<p>AASB 136.5, 6, 9, 59 TPP21-09</p>	<p>Impairment</p> <p>21. AASB 136 requires an entity to assess at each reporting date whether there is any indication of impairment. If any indication exists, the entity must estimate the recoverable amount. Where the recoverable amount is less than the carrying value, the entity must write down the asset or cash generating unit to recoverable amount. Recoverable amount is defined as the higher of fair value less costs of disposal and value in use. Providing that property, plant and equipment are carried at fair value or an amount that approximates fair value, impairment is considered unlikely particularly for not-for-profit entities.</p> <p>The only difference between an asset's fair value and fair value less costs of disposal is the direct incremental costs attributable to the disposal of the asset. This means that where the disposal costs are negligible (expected to be likely), the recoverable amount of a revalued asset is close to, or greater than, the revalued amount and the recoverable amount need not be estimated.</p>
<p>AASB 136.5</p>	<p>22. Where disposal costs are not negligible, the revalued asset will be impaired if its value in use is less than its revalued amount.</p>
<p>AASB 136.Aus5.1</p>	<p>23. Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, determined under AASB 13.</p>
<p>TPP21-09 AASB 116.G1-G4</p>	<p>Assets not able to be reliably measured</p> <p>24. For those assets which are used by an entity but cannot be reliably valued (e.g. certain heritage assets) and are likely to be material, the following information is to be disclosed (see Note 16):</p> <ul style="list-style-type: none"> • reasons for the inability to obtain a reliable value • the quantum, nature and functions of the assets and, where applicable, their heritage significance; and • estimate of the annual costs of maintenance / preservation, where applicable.
<p>AASB 1004 BC28. TPP21-08</p>	<p>Pre-transfer carrying amounts</p> <p>25. Where assets have been transferred between not-for-profit entities as part of an administrative restructure under AASB 1004, NSW TPP21-08 permits a transferee entity to measure assets transferred as part of an administrative restructure at the amounts at which the assets were recognised by the transferor immediately prior to the transfer. These assets need not be revalued until the class of non-current assets is next required to be revalued under the Accounting Standards and Treasury's Asset Valuation Policy (TPP21-09).</p>
<p>AASB 116.31 AASB 116.34</p>	<p>26. In most cases there will not be a material difference between the fair value and the carrying amount of the asset (i.e. where the existing use is the same). This is because AASB 116 provides that where fair value is adopted, revaluations must be made with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the reporting date. Items with significant and volatile changes in fair value may have to be revalued annually.</p>
<p>TPP21-08</p>	<p>27. Other equity transfers, not covered by AASB 1004, must be recognised at fair value in accordance with NSW Treasury's Policy (subject to paragraph 27 below).</p>
<p>TPP21-08 AASB 138.63-64 AASB 138.75 AASB 127.10</p>	<p>28. Other exceptions to the fair value measurement principle:</p> <ul style="list-style-type: none"> • Where an intangible asset has been recognised at (amortised) cost by the transferor because there is no active market (AASB 138.75), the transferee recognises the asset at the transferor's carrying amount. • Where the transferor does not recognise an internally generated intangible subject to AASB 138.63-64 (i.e. internally generated brands, mastheads, customer lists etc.), the transferee must not recognise that asset. • Where the only change is that a government controlled entity becomes a subsidiary of another government controlled entity, as described in TPP21-08 Section 6.5, Treasury's Policy permits, but does not require, entities to measure in the parent entity's financial

Commentary on Property, Plant and Equipment

statements the parent entity's investment in the subsidiary at cost as permitted under AASB 127 *Separate Financial Statements*; and in the consolidated financial statements, the assets and liabilities based on their previous carrying amounts.

Fair value disclosures under AASB 13

AASB 13.91-99

29. AASB 13 requires extensive disclosures for assets measured at fair value on a recurring basis (e.g. property, plant and equipment measured on a fair value basis under AASB 116) or non-recurring basis (e.g. assets (or disposal groups) held for sale under AASB 5 measured at fair value less costs to sell) in the Statement of Financial Position after initial recognition. This includes disclosing the valuation techniques and inputs used to develop those measurements and for Level 3 fair value measurements, the effect of the measurements on the net result or other comprehensive income for the period. This is illustrated in Note 22.

30. Non-specialised assets with short useful lives measured using depreciated historical cost as an approximation of fair value do not require AASB 13 fair value hierarchy disclosures.

Agreements equally proportionately unperformed

Framework 91

31. In practice, obligations under contracts that are equally proportionately unperformed are generally not recognised as liabilities in the financial statements. However, such obligations may meet the definition of liabilities and, provided the recognition criteria are met, may qualify for recognition. In such circumstances, recognition of liabilities requires recognition of related assets or expenses. Therefore, where another Australian Accounting Standard sets out requirements for the recognition of assets and liabilities arising from agreements which are equally proportionately unperformed, the requirements of that Standard must be applied.

Goods and Services Tax

Interpretation 1031.7-8

32. Revenues, expenses and assets must be recognised net of the amount of GST, except:

- The amount of GST incurred by a purchaser that is not recoverable from the taxation authority must be recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables must be stated with the amount of GST included.

17. Investment Property

AASB 140.75-76

	2025 \$'000	2024 \$'000
Opening balance as at 1 July – fair value		
AASB 140.76(a) Additions [separately identify those from acquisitions or subsequent expenditure]		
AASB 140.76(c) Disposals and assets held for sale		
AASB 140.76(d) Net gain / (loss) from fair value adjustment [Other changes]		
Closing balance as at 30 June – fair value		
AASB 140.75(e) Investment properties are valued at fair value by [state whether or not valued by an independent, professionally qualified valuer with recent experience in the location and state the category of investment property.]		
Further details regarding the fair value measurement of investment property are disclosed in Note 22.		

AASB 140.75(f)	The following amounts have been recognised in the net result for the year:		
		2025	2024
		\$'000	\$'000
	Rental income		
AASB 140.75(f)(ii)	Direct operating expenses arising from investment properties that generated rental income		
AASB 140.75(f)(iii)	Direct operating expenses that did not generate rental income		

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

Where amounts presented are material, it is likely that the only material accounting policy information is on significant judgements and assumptions. For example, in estimating fair value and determining useful lives.

It may be necessary to also include sufficient information on the accounting treatment, to ensure the overall note is understandable. This could include information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

If the agency has made any material changes to their accounting policy, the change in policy should be disclosed.

AASB 140.20
AASB 140.Aus20.1
AASB 140.33
AASB 140.75(a)(e)
AASB 140.35
AASB 16.56

The entity owns properties held [and sub-leases properties recognised as right-of use assets] to earn rentals and / or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Where an investment property is acquired at no cost or for nominal cost, its cost is deemed to be its fair value as at the date of acquisition. Subsequent to initial recognition, investment properties are stated at fair value using the valuation technique that maximises the use of relevant observable inputs. Gains or losses arising from changes in the fair values of investment properties are included in the net result in the period in which they arise. No depreciation is charged on investment properties.

Commentary on Investment Properties

Classification

- | | |
|--|--|
| AASB 140.5, Aus9.1 | 1. Investment property is held to earn rentals or for capital appreciation, or both. However, for not-for-profit entities, property held to meet service delivery objectives rather than to earn rental or for capital appreciation does not meet the definition of investment property and is accounted for under AASB 116. It is expected that investment properties held by NSW GGS not-for-profit entities would be rare. |
| AASB 140.Aus20.1
AASB 140.6, 30
TPP21-09,
Treasury Mandates | 2. Where an investment property is acquired at no cost or for nominal cost, its cost is deemed to be its fair value as at the date of acquisition. Measurement of investment property after recognition is at either cost or fair value. NSW public sector entities must use the fair value method. Further, NSW public sector entities must classify property interests held by a lessee under an operating lease as investment property, if they would otherwise meet the definition of an investment property. |
| AASB 140.75 | 3. AASB 140 disclosures include: <ul style="list-style-type: none"> • Whether the entity applies the fair value or cost model. • If it applies the fair value model, whether, and in what circumstances, property interests held under operating leases are classified and accounted for as an investment property. • When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business. • Extent to which the fair value is based on a valuation by a qualified and experienced independent valuer. If there has been no such valuation, the entity must disclose that fact. |

Commentary on Investment Properties	
	<ul style="list-style-type: none"> • Amounts recognised in profit or loss for: <ul style="list-style-type: none"> - Rental income - Direct operating expenses (including repairs and maintenance) arising from investment property that either generated or did not generate rental income during the period • Existence and amounts of restrictions and • Various contractual obligations; e.g. to develop or repair.
AASB 140.76	4. In addition to the above, the entity must disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the reporting period.
AASB 13.91-99	5. AASB 13 requires extensive disclosures for assets measured at fair value on a recurring or non-recurring basis in the Statement of Financial Position after initial recognition. Investment property measured at fair value is an example of a recurring fair value measurement. The required disclosures are illustrated in Note 22.

18. Leases

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

In most cases, even where amounts presented are material, it is likely that only information about the significant judgements or assumptions and the options permitted by Australian Accounting Standards mandated by Treasury would need to be disclosed.

It may be necessary to also include sufficient information on the accounting treatment, to ensure the overall note is understandable. This could involve information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

Commentary on Leases - Overall

Significant judgements and estimates

AASB101.122,
125 AASB 16.51,
59

1. The accounting for leases under AASB 16 involves making various judgements and estimates which may need to be disclosed. The level of detail provided will depend on the individual circumstances of the entity and the materiality of the amounts involved. For example, the following judgements and estimates may require explanations:
 - how the entity has determined whether a contract is, or contains, a lease
 - how the entity has determined that it is reasonably certain to exercise extension and termination options
 - how the entity has determined the incremental borrowing rate, for example where third-party financing cannot be obtained (or can only be obtained at a significant premium), or by adjusting rates to reflect the term, security, value or economic environment
 - what the entity considers to be an index or rate in determining lease payments
 - how the entity accounts for costs incurred in connection with a lease that are not part of the cost of the right-of-use asset, and
 - the interpretation of what constitutes a penalty in determining the lease term.

AASB 16.52

a. Entity as a lessee

AASB 16.59(a)
(b) (c) (d)

[General description of the lessee's leasing arrangements; the entity's potential exposure to future cash outflows due to variable lease payments, lease extension/termination options, etc.; restrictions or covenants imposed by leases; and sale and leaseback transactions.]

The entity leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of x to xx years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The entity does not provide residual value guarantees in relation to leases.

AASB 16.59(b)

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the entity and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of \$xx,000 have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$xx,000.

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The entity has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly [\[insert main asset types\]](#).

AASB 16.60

Right-of-use assets under leases

AASB 16.47(a)(ii)

The following table presents right-of-use assets that do not meet the definition of investment property.

Right-of-use assets that meet the definition of investment property are included in investment property at Note 17).

AASB 16.54

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
AASB 16.53(j) Balance at 1 July 2024				
AASB 16.53(h) Additions				
AASB 16.53(a) Depreciation expense				
AASB 16.53(j) Other movements [specify]				
AASB 16.53(j) Balance at 30 June 2025				

AASB 16.54

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
AASB 16.53(j) Balance at 1 July 2023				
AASB 16.53(h) Additions				
AASB 16.53(a) Depreciation expense				
AASB 16.53(j) Other movements [specify]				
AASB 16.53(j) Balance at 30 June 2024				

AASB 16.54

Lease liabilities

The following table presents liabilities under leases, including leases in respect of investment properties.

	2025 \$'000	2024 \$'000
Balance at 1 July		
Additions		
AASB 16.53(b) Interest expenses		
AASB 16.53(g) Payments		
Balance at 30 June		

AASB 16.54 The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2025 \$'000	2024 \$'000
AASB 16.53(a)	Depreciation expense of right-of-use assets	
AASB 16.53(b)	Interest expense on lease liabilities	
AASB 16.53(c)	Expense relating to short-term leases	
AASB 16.53(d)	Expense relating to leases of low-value assets	
AASB 16.53(e)	Variable lease payments, not included in the measurement of lease liabilities	
AASB 16.53(f)	Income from subleasing right-of-use assets	
AASB 16.53(i)	Gains or losses arising from sale and leaseback transactions	
	Total amount recognised in the statement of comprehensive income	

AASB 16.53(g) The entity had total cash outflows for leases of \$XXX in FY2024-25 (FY2023-24: XXX).

Leases at significantly below-market terms and conditions principally to enable the entity to further its objectives

AASB 16.Aus59.1 *[for each material lease, or each aggregation of leases with similar characteristics, that has significantly below-market terms and conditions, disclose the entity’s dependence on leases, and the nature and terms of leases, including the lease payments, the lease term, a description of the underlying assets, and restriction of the use of the underlying assets.]*

The entity entered into a 10-year lease with a local council for the use of a residential building. The lease contract specifies lease payments of \$100 per annum. The leased premises must be used by the entity to provide accommodation to the homeless. This residential building accounts for a small portion of the similar assets the entity is using for the purpose of providing services to the homeless. Therefore, it does not have a significant impact on the entity’s operation.

Recognition and measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information is required to be disclosed.

In most cases, where amounts presented are material, it is likely that only the following will be material accounting policy information:

- subsequent measurement of right of use assets (options permitted under AASB 16),
- estimated useful lives of right of use assets (significant judgements), and
- mandated options regarding short-term and low-value leases; and leases significantly below market value (options permitted under AASB 16).

It may be necessary to also include sufficient information on the accounting treatment, to ensure the overall note is understandable. This could involve information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

AASB 16.9 The entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

AASB 16.23
AASB 16.24

The entity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

AASB 16.29

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings x to x years
- Plant and machinery x to x years
- Motor vehicles and other equipment x to x years

AASB 16.32

If ownership of the leased asset transfers to the entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

AASB 16.33
AASB 136.9
AASB 136.59-60
AASB 136.114
AASB 136.117

The right-of-use assets are also subject to impairment. The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

Refer to Note 17 for the subsequent measurement of right-of-use assets that meet the definition of investment properties.

ii. Lease liabilities

AASB 16.26

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

AASB 16.27

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the entity; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

AASB 16.38(b)

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

AASB 16.26

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the entity's leases, the lessee's incremental borrowing rate is used, being the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

AASB 16.36

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

- AASB 16.102A The seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying the requirements in this paragraph does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease
- The entity's lease liabilities are included in borrowings.
- iii. Short-term leases and leases of low-value assets
- AASB 16.5
AASB 16.6 The entity applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.
- iv. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives
- AASB 16.Aus35.1 The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the entity to further its objectives is the same as normal right-of-use assets. They are measured at cost, subject to impairment.

Commentary on Leases – Entity as lessee	
	Recognition and measurement
AASB 16.4 Treasury Mandates	1. AASB 16.4 allows entities to not apply this Standard to leases of intangible assets. Agencies must apply this election.
AASB 16.5 Treasury Mandates	2. Agencies must adopt the expedient on not applying some requirements of AASB 16 to short term leases or low value assets. Agencies must adopt this expedient for: <ul style="list-style-type: none"> • Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option. • Leases of assets that are valued at \$10,000 or under when new. Treasury expects these items to include laptops and personal computers, telephones and office items.
AASB 16.29 Treasury Mandates	3. Right-of-use assets will be subsequently measured at cost.
AASB 16.Aus25.1 AASB 16.Aus25.2 AASB 16.Aus35.1	4. Treasury mandates the cost model for the subsequent measurement of the concessionary lease assets (i.e. the right-of-use assets under leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives). Right-of-use assets for concessionary leases shall not be treated as a separate class of assets.
AASB 16.33	5. Entities are required to assess at the end of each reporting date whether there are any indicators of impairment of right-of-use assets in accordance with AASB 136 <i>Impairment of Assets</i> .
	6. Agencies must not adopt the expedient in AASB16.15 that allows a lessee to elect not to separate non-lease components from lease components. Agencies shall account for each lease component within a contract separately from non-lease components.
	Disclosures under AASB 16
AASB 16.47(a) Treasury Mandates AASB 16.47(b)	7. Treasury mandates right-of-use assets to be separately presented on the statement of financial position.
	8. Lease liabilities must be presented separately from other liabilities on the face of the statement of financial position, or in the notes to the financial statements. Refer to Note 25 for model disclosures.
AASB 16.53	9. AASB 16 requires disclosure of the following information about an entity's leases as a lessee: <ul style="list-style-type: none"> • depreciation charge for right-of-use assets, split by class of underlying asset • interest expense on lease liabilities • short-term lease expense for such leases with a lease term greater than one month • low-value asset lease expense (except for portions related to short-term leases) • variable lease expense (i.e., for variable lease payments not included in the lease liability) • income from subleasing right-of-use assets • total cash outflow for leases • additions to right-of-use assets • gains and losses arising from sale and leaseback transactions • carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset
AASB 16.54	

Commentary on Leases – Entity as lessee

All of the above disclosures are required to be presented in a tabular format, unless another format is more appropriate. The amounts to be disclosed must include costs that the lessee has included in the carrying amount of another asset during the reporting period.

AASB 16.56	10. Where a right-of-use asset meets the definition of investment property in AASB 140, the disclosures in AASB 140 must be applied and the AASB 16.53 disclosures for depreciation, subleasing income and right-of-use asset additions do not apply to these assets.
AASB 16.53(g)	11. The standard requires disclosure of the total cash outflows for leases, including the cash outflow related to leases of low-value assets and short-term leases in the disclosure of the total cash outflow
AASB 16.55	12. AASB 16 requires disclosure of the amount of lease commitments for short-term leases that are recognised as expenses on a straight-line or other systematic basis, if the portfolio of short-term leases to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expenses are disclosed in the financial statements.
AASB 16.59	13. AASB 16 requires additional qualitative and quantitative information about a lessee's leasing activities necessary to meet the disclosure objective of the standard. This additional information may include, but is not limited to, information that helps users of the financial statements to assess: <ul style="list-style-type: none"> • the nature of the lessee's leasing activities • future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities: <ul style="list-style-type: none"> ○ Variable lease payments ○ Extension options and termination options ○ Residual value guarantees ○ Leases not yet commenced to which the lessee is committed ○ Restrictions or covenants imposed by leases ○ Sale and leaseback transactions <p>Entities would need to exercise judgement in determining the extent of disclosures needed to satisfy the disclosure objective of the standard (i.e., to provide a basis for users to assess the effect of leases on the financial position, financial performance, and cash flows of the lessee).</p>
AASB 16.B49	14. Disclosures of additional information relating to variable lease payments could include: <ul style="list-style-type: none"> • the lessee's reasons for using variable lease payments and the prevalence of those payments • the relative magnitude of variable lease payments to fixed payments • key variables upon which variable lease payments depend on how payments are expected to vary in response to changes in those key variables • other operational and financial effects of variable lease payments
AASB 16.B50 AASB 16.IE10 Ex.23	15. Disclosures of additional information relating to extension and termination options could include: <ul style="list-style-type: none"> • the lessee's reasons for using extension options or termination options and the prevalence of those options • the relative magnitude of optional lease payments to lease payments • the prevalence of the exercise of options that were not included in the measurement of lease liabilities • other operational and financial effects of those options
AASB 16.Aus59.1	16. Disclosures of additional information relating to leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives or peppercorn leases include: <ul style="list-style-type: none"> • the entity's dependence on leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives and • the nature and terms of the leases, including: <ul style="list-style-type: none"> ○ the lease payments ○ the lease term ○ a description of the underlying assets and ○ restrictions on the use of the underlying assets specific to the entity.
AASB 16.Aus59.2	The disclosures above should be provided individually for each material lease or in aggregate for leases involving right-of-use assets of a similar nature. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.

b. Entity as a lessor

AASB 16.92

[General description of the lessor's leasing arrangements, including nature and how the entity manages risks, e.g. buy-backs, residual value guarantees etc.]

The entity's investment properties are leased to tenants under finance leases and operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Lessor for finance leases

AASB 16.94

Future minimum rentals receivable (undiscounted) under non-cancellable finance leases as at 30 June are, as follows:

	2025 \$'000	2024 \$'000
Within one year		
One to two years		
Two to three years		
Three to four years		
Four to five years		
Later than five years		
Total (excluding GST)		

Reconciliation of net investment in leases

AASB 16.94

	2025 \$'000	2024 \$'000
Future undiscounted rentals receivable		
Unguaranteed residual amounts - undiscounted		
Less: unearned finance income		
Net investment in finance leases		

AASB 16.93

[Qualitative and quantitative explanation of significant changes in carrying amount of net investment in finance leases]

The net investment in finance leases significantly increased during the current period, mainly due to two new finance lease arrangements with a total value of \$xxx.

AASB 16.62

Leases that the entity transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. Subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

AASB 16.B58

AASB 16.67

At the lease commencement date, the entity recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets at amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease.

AASB 16.75

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Lessor for operating leases

AASB 16.97

Future minimum rentals receivable (undiscounted) under non-cancellable operating leases as at 30 June are, as follows:

2025 \$'000	2024 \$'000
----------------	----------------

Within one year
 Later than one year and not later than five years
 Two to three years
 Three to four years
 Four to five years
 Later than five years
 Total (excluding GST)

Recognition and measurement - lessor for operating leases

AASB 16.61
 AASB 16.62
 AASB 16.81
 AASB 16.83

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Commentary on Leases – Entity as lessor	
	Disclosures under AASB 16
AASB 16.90(a)	1. Where the entity is a lessor with a finance lease, it is required to provide information that allows users of the financial statements to assess the effect that leases have on the lessor's financial position, financial performance and cash flows. A lessor should disclose: <ul style="list-style-type: none"> • for finance leases: <ul style="list-style-type: none"> ○ selling profit or loss; ○ finance income on the net investment in the lease; and ○ income relating to variable lease payments not included in the measurement of the net investment in the lease. • qualitative and quantitative explanation of significant changes in the carrying amount of the net investment in the lease
AASB 16.93	<ul style="list-style-type: none"> • maturity analysis of lease payments receivable for a minimum of each of the first five years plus a total amount for the remaining years; reconciliation to the net investment in the lease
AASB 16.94 AASB 16.92	2. A lessor entity shall disclose additional qualitative and quantitative information about its leasing activities, including but not limited to: <ul style="list-style-type: none"> • the nature of the lessor's leasing activities • how the lessor manages the risk associated with any rights it retains in underlying assets. In particular, a lessor shall disclose its risk management strategy for the rights it retains in underlying assets, including any means by which the lessor reduces that risk
AASB 16.90(b)	3. Where the entity is a lessor with an operating lease, disclose the following: <ul style="list-style-type: none"> • lease income, separately disclosing income relating to variable lease payments that do not depend on an index or a rate Refer Note 3(d).
AASB 16.95	<ul style="list-style-type: none"> • for items of property, plant and equipment that are subject to an operating lease, the disclosures required by AASB 116 separately for the assets subject to an operating lease and for those that are held and used by the lessor, and
AASB 16.96 AASB 16.97	<ul style="list-style-type: none"> • where applicable, the disclosure required by AASB 136, AASB 138 and AASB 141 • maturity analysis of lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years

19. Intangible Assets

AASB 138.118 (c)-(e)

	Software \$'000	[Other Major Categories] \$'000	Total \$'000
At 1 July 2023			
Cost (gross carrying amount)			
Accumulated amortisation and impairment			
Net carrying amount			
Year ended 30 June 2024			
Net carrying amount at beginning of year			
Additions [separately identifying those from internal development or acquired separately]			
Reclassification to assets held-for-sale			
Impairment losses			
Amortisation (recognised in 'depreciation and amortisation')			
Other movements [specify]			
Net carrying amount at end of year			
At 1 July 2024			
Cost (gross carrying amount)			
Accumulated amortisation and impairment			
Net carrying amount			
Year ended 30 June 2025			
Net carrying amount at beginning of year			
Additions [separately identifying those from internal development or acquired separately]			
Reclassification to assets held-for-sale			
Impairment losses			
Amortisation (recognised in 'depreciation and amortisation')			
Other movements [specify]			
Net carrying amount at end of year			
At 30 June 2025			
Cost (gross carrying amount)			
Accumulated amortisation and impairment			
Net carrying amount			

[For additional details regarding impairment losses – refer AASB 136.126-137]

Recognition and Measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information is required to be disclosed.

In most cases, where amounts presented are material, it is likely that only information about assumptions in determining the fair value of intangibles acquired at no or nominal cost; judgements in determining useful lives; and assumptions in assessing impairment, is likely to be material.

It may also be necessary to include sufficient information on the accounting treatment to ensure the overall note is understandable. This could involve information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

AASB 138.21	The entity recognises intangible assets only if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangible assets
AASB 138.24, Aus24.1	are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are
AASB 138.74	subsequently measured at fair value only if there is an active market. If there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated
AASB 138.54, 57	amortisation and impairment losses.
AASB 138.88, 118(a)	All research costs are expensed. Development costs are only capitalised when certain criteria are met.
AASB 138.118(a) (b)	The useful lives of intangible assets are assessed to be finite/indefinite [specify as appropriate] .
AASB 138.97	The entity's intangible assets are amortised using the straight-line method over a period of [x] years [specify for each category]
AASB 138.107-109	The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.
AASB 136.9	Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
	Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.
	[If agencies have service concession intangible assets, please follow the disclosure requirements in Note 16 Service concession assets, and disclose the information here]

Commentary on Intangible Assets

AASB 138.78, 81 Treasury Mandates	1. Subsequent measurement of an intangible asset is at fair value only if there is an active market. It is uncommon for an active market to exist for an intangible asset; in this situation, the asset is carried at cost less any accumulated amortisation and impairment.
AASB 138.54, 57	2. All research costs are expensed. Development costs are only capitalised when certain criteria are met.
AASB 138.63	3. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance must not be recognised as intangible assets. However, such items may be capitalised where they are externally acquired; i.e. outside of the public sector.
AASB 138.88, 92	4. The entity must assess whether the useful life of an intangible asset is finite or indefinite. An intangible asset with a finite life is amortised. Given the history of rapid changes in technology, computer software and many other intangible assets are susceptible to technological obsolescence. Therefore, it is likely their useful life is short.
AASB 136.9	5. Intangible assets are tested for impairment where an indicator of impairment exists and entities must make certain disclosures where required (refer to AASB 136.126-137). If the recoverable amount of an asset is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.
AASB 138.122-127	6. AASB 138 <i>Intangible Assets</i> requires additional disclosures in the rare circumstances where an intangible asset is assessed as having an indefinite useful life. Certain disclosures are also required where intangible assets are acquired by way of government grant. These and other disclosures are detailed at AASB 138, paragraphs 122-127.
AASB 13.91-99	7. AASB 13 also requires extensive disclosures where an entity is able to revalue intangibles to fair value (i.e. where there is an active market). These fair value disclosures for intangible assets are not illustrated in the Code, as the Code assumes that there is no active market for intangibles. However, where intangible assets can be revalued to fair value (as there is an active market), then the AASB 13 disclosures must be made and should be included as part of Note 22.

Commentary on Intangible Assets

8. If agencies have intangible assets arising from service concession arrangements, please follow the disclosure requirement in Note 16 *Service concession assets* and disclose the information under Note 19 *Intangible assets*.

20. Current / Non-Current – Other assets

		2025 \$'000	2024 \$'000
AASB 101.97	[Specify major categories]		

Commentary on Other Assets

AASB 101.118 Treasury Mandates	The notes are to disclose major categories of other assets. The current and non-current portions are to be separately disclosed. Other assets are generally recognised at historical cost.
-----------------------------------	--

21. Non-Current Assets (or Disposal Groups) Held-for-Sale

		2025 \$'000	2024 \$'000
AASB 5.38, 40	Assets held-for-sale Land and buildings Plant and equipment Infrastructure systems [Specify other major categories]		
	Liabilities associated with assets held for sale [Specify major categories]		
AASB 5.38	Amounts recognised in other comprehensive income relating to assets held-for-sale Net change in revaluation surplus of equity investments measured at FVOCI [Specify major categories]	2025 \$'000	2024 \$'000
AASB 5.41 AASB 13.93(a)	[Description of non-current assets (or disposal groups) held-for-sale, reasons for the classification / measurement as held-for-sale, description of the facts and circumstances leading to the expected disposal and the expected manner and timing of that disposal.]		
AASB 5.42	[If an entity ceases to classify an asset (or disposal group) as held for sale, a description of the facts and circumstances leading to the decision and the effect of the decision on the results of operations.] Further details regarding fair value measurement are disclosed in Note 22.		

Recognition and Measurement

AASB 5.6, 7, 15

The entity has certain non-current assets (or disposal groups) classified as held-for-sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets (or disposal groups) held-for-sale are measured at the lower of their carrying amount and fair value less costs of disposal.

AASB 5.25

These assets are not depreciated / amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are continued to be recognised.

Commentary on Non-Current Assets (or Disposal Groups) Held-for-Sale

AASB 5.3, 15, 20, 25

1. A non-current asset (or disposal group) must be classified as held for sale where it satisfies strict criteria. Assets held for sale are measured at the lower of carrying amount and fair value less costs of disposal; not depreciated; reclassified from non-current to current; and separately presented in the Statement of Financial Position. An impairment loss is recognised in profit or loss for any initial and subsequent write down from the carrying amount measured immediately before re-measurement to fair value less costs of disposal.

AASB 5.Aus2.1
AASB 5.30-37
TPP21-08

2. AASB 5 does not apply to the restructuring of administrative arrangements subject to AASB 1004. These are addressed in Note 28. However, the discontinued operation requirements may apply where there are restructures involving other NSW public sector entities not subject to AASB 1004. Where this is the case, AASB 5 requires additional disclosures on the face of the Statement of Comprehensive Income and in the notes (refer AASB 5, paras 30-37).

AASB 5.12

3. Additional disclosures are required where non-current assets (or disposal groups) meet the criteria for classification as held for sale after the Statement of Financial Position date.

AASB 13.91-99

4. AASB 13 requires extensive disclosures for assets measured at fair value on a recurring or non-recurring basis in the Statement of Financial Position after initial recognition. Assets held for sale measured at fair value less costs to sell is an example of a non-recurring fair value measurement. The required disclosures are illustrated in Note 22.

22. Fair value measurement of non-financial assets

Fair value measurement and hierarchy

AASB 13.9, 16

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

AASB 13.61

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

AASB 13.72-90, 91-99

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

AASB 13.93(a)(b)
AASB 13.94

a) Fair value hierarchy

	2025			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 16)				
Land and buildings				
Plant and equipment				
Infrastructure systems				
Investment properties (Note 17)				
Non-current assets (or disposal groups) held-for-sale (Note 21)				
[Specify relevant classes]				
	2024			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 16)				
Land and buildings				
Plant and equipment				
Infrastructure systems				
Investment properties (Note 17)				
Non-current assets (or disposal groups) held-for-sale (Note 21)				
[Specify relevant classes]				

AASB 13.93(c)

[There were no transfers between Level 1 or 2 during the periods.]

AASB 13.91(a)

b) Valuation techniques, inputs and processes

Commentary on Fair Value Measurement AASB 13 disclosures	
AASB 13.93(d)	For the current and prior year, the entity must disclose the following information: [For recurring and non-recurring Level 2 and Level 3 fair value measurements, a description of the valuation technique(s) and inputs. If there has been a change in valuation technique, the entity must disclose that change and reasons for making it.]
AASB 13.93(i), Aus93.2	[For recurring and non-recurring fair value measurements, if the highest and best use of the asset differs from current use, the entity must disclose this and why the asset is used in a manner that differs from highest and best use. In respect of non-financial assets not held primarily for their ability to generate net cash inflows, not-for-profit agencies are only required to consider if this difference exists at the measurement date when an asset is:
	<ul style="list-style-type: none"> classified as held for sale or held for distribution to owners in accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> or it is highly probable that the asset will be used for an alternative purpose to its current use.
AASB 13.93(g)	[For recurring and non-recurring Level 3 fair value measurements, a description of the valuation processes used by the entity (including, for example, how the entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).] [Additional disclosure requirements for assets categorised within Level 3 of the fair value hierarchy:
AASB 13.93(d)	<ul style="list-style-type: none"> quantitative information about significant unobservable inputs used, where reasonably available (recurring and non-recurring).
AASB 13.93(h)(i)	<ul style="list-style-type: none"> a narrative description of sensitivity to changes in unobservable inputs that may significantly impact on fair value, including a description of the interrelationships between those inputs and other unobservable inputs and how they might magnify / mitigate the effect of the changes (recurring). To comply with this disclosure requirement, the narrative description of

Commentary on Fair Value Measurement AASB 13 disclosures	
AASB 13.Aus93.1	<p>the sensitivity to changes in unobservable inputs shall include, at a minimum, the unobservable inputs disclosed.</p> <p>Note – these Level 3 disclosure requirements are not mandatory for not-for-profit entities with property, plant and equipment held primarily for their current service potential rather than to generate future net cash inflows]</p> <p>[N.B. ‘Property, plant and equipment’ and ‘investment properties’ are examples of recurring fair value measurements, while ‘assets (or disposal groups) held-for-sale’ measured at fair value less costs to sell is an example of a non-recurring fair value measurement. Plant and Equipment measured using depreciated historical cost as an approximation of fair value do not require fair value hierarchy disclosures.]</p>

AASB 13.91(b)
AASB 13.93(e)(f)

c) Reconciliation of recurring Level 3 fair value measurements

	[Class/es] \$'000	Total Recurring Level 3 Fair value \$'000
Fair value as at 1 July 2024		
Additions		
Revaluation increments/decrements recognised in Net result – included in the line item ‘Other gains / (losses)’		
Revaluation increments/ decrements recognised in other comprehensive income – included in line item / Changes in revaluation surplus of property, plant and equipment’		
Transfers from Level 1 / 2		
Transfers to Level 1 / 2		
Disposals		
Depreciation expense		
[Other categories – specify]		
Fair value as at 30 June 2025		
	[Class/es] \$'000	Total Recurring Level 3 Fair value \$'000
Fair value as at 1 July 2023		
Additions		
Revaluation increments/decrements recognised in Net result – included in the line item ‘Other gains / (losses)’		
Revaluation increments/ decrements recognised in other comprehensive income – included in line item / Changes in revaluation surplus of property, plant and equipment’		
Transfers from Level 1 / 2		
Transfers to Level 1 / 2		
Disposals		
Depreciation expense		
[Other categories – specify]		
Fair value as at 30 June 2024		

AASB 13.93(f)

[For recurring Level 3 fair value measurements disclose the change in unrealised gains/losses for the current and prior period included in the net result for assets held at the end of each reporting period and the line item in which those unrealised gains/losses are recognised.

AASB 13.Aus93.1

AASB 13.93(e)(iv)
AASB 13.95

Note - this disclosure requirement is not mandatory for not-for-profit entities with property, plant and equipment held primarily for their current service potential, rather than to generate future net cash inflows.]

[For recurring fair value measurements disclose reasons for transfers into or out of Level 3 during the current and prior year].

Commentary on Fair Value Measurement AASB 13 Disclosures	
AASB 13.91	1. AASB 13 introduces a comprehensive disclosure framework for fair value measurements. The objective of the disclosures under AASB 13 is to provide information that helps users assess the valuation techniques, inputs and for Level 3 recurring fair value measurements, the effect of the measurements on profit/loss or other comprehensive income for the current and prior period.
AASB 13.92	2. To meet the disclosure objectives the entity must consider: <ul style="list-style-type: none"> the level of detail necessary to satisfy the requirements how much emphasis to place on each of the requirements how much aggregation or disaggregation to undertake whether users require additional information to evaluate the quantitative information disclosed. <p>Where disclosures under AASB 13 and other AAS are insufficient to meet the objectives described above, an entity shall disclose additional information necessary to meet those objectives.</p>
AASB 13.93	3. AASB 13 sets out the minimum disclosures required for each class of assets and liabilities measured at fair value in the Statement of Financial Position after initial recognition – refer AASB 13.93(a) to (i).
AASB 13.93(a)	4. Some of the specific AASB 13 disclosure requirements depend on whether fair value measurements are recurring or non-recurring. Recurring fair value measurements are those that other Accounting Standards require or permit in the Statement of Financial Position at the end of each reporting period. However, this does not mean that a comprehensive revaluation is performed every reporting period. <p>For example, revaluation of property, plant and equipment under AASB 116 is a “recurring” fair value measurement under AASB 13. Non-recurring are those that other Accounting Standards require or permit in the Statement of Financial Position in particular circumstances (e.g. under AASB 5).</p>
AASB 13.94	5. An entity needs to determine appropriate classes on the basis of nature, characteristics and risks of the asset and level of the fair value hierarchy. The number of classes may need to be greater for level 3 valuations as measurements have a greater degree of uncertainty and subjectivity. A single class may include valuations at different levels of the fair value hierarchy, but an entity may need to further disaggregate if different categories indicate the assets are different in nature, characteristics or risks. <p>For example, if the entity determines after considering the nature, characteristics and risks of the asset, that “land and buildings” needs to be further disaggregated into a number of classes then the proforma disclosure in Note 22 will need to be amended / disaggregated accordingly.</p>
AASB 13.95	6. An entity must disclose and consistently follow the policy for determining when transfers between levels in hierarchy are deemed to have occurred and must apply the same policy for transfers in and transfers out of levels. This is illustrated in the first section of this note.
AASB 13.99	7. In addition, an entity must present quantitative disclosures in a table unless another format is more appropriate.
	8. Appendix F of AASB 13 provides Australian implementation guidance for not-for-profit public sector entities clarifying the application of paragraphs 61, 62, 89, B8 and B9.

23. Restricted Assets

	2025 \$'000	2024 \$'000
[Disclose restricted assets and the nature of those restrictions]		

Commentary on Restricted Assets	
AASB 107.48 AASB 116.74(a) AASB 138.122(d) AASB 140.75(g)	Various standards require disclosure of restricted assets and the nature of those restrictions. For example, investments in fixed interest-bearing deposits may be restricted assets where these funds represent donations held by the entity to be used for a specific project or purpose.

24. Current Liabilities – Payables

		2025 \$'000	2024 \$'000
AASB 101.77 Treasury Mandates	Accrued salaries, wages and on-costs Creditors [Specify other major categories]		

AASB 7.31-42 Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 36.

Recognition and measurement

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

In most cases, even where amounts presented are material, it is likely that accounting policy information will be immaterial. This is because: there are no options permitted by Australian Accounting Standards; there are no significant judgements or assumptions; accounting required is not complex; and there is no change in accounting policy in the FRC or Treasury Mandates.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

If the agency has made any material changes to their accounting policy, the change in policy should be disclosed.

AASB 9.4.2.1
AASB 9.5.7.2 Payables represent liabilities for goods and services provided to the entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

[\[Agencies should only include the disclosure below if there are material supplier finance arrangements\]](#)

Supplier Finance Arrangements

AASB 107.44H

[\[Disclose details and terms of any supplier finance arrangements\]](#)

	2025 \$'000	2024 \$'000
Carrying amount of payables		
Payables that are part of a supplier finance arrangement		
Of which suppliers have received payment from the finance provider		
Range of Payment due dates		
Payables subject to supplier finance arrangement (days after invoice date)		
Comparable payables (days after invoice date)		

Non-cash changes

There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

Commentary on Payables	
	<p>Disclosure</p>
TC15-07 Treasury Mandates	1. The notes are to disclose separately accrued salaries, wages and on-costs, creditors and other major categories (e.g. personnel services payable for entities receiving personnel services per TC15-07). Aggregate employee benefits and related on-costs are reconciled in Note 26.
AASB 7.8	2. The carrying amounts for each of the AASB 9 categories of financial instruments must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements
AASB 7.31-42	3. AASB 7 requires a variety of quantitative and qualitative disclosures for each type of risk (including credit risk, liquidity risk and market risk) to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed. This includes a maturity analysis for financial liabilities showing the remaining contractual maturities. Refer Note 36.
	<p>Measurement</p>
AASB 9.4.2.1 AASB 9.5.7.2	4. Most financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method (exceptions listed in TPP21-10) However, if the fair value on initial recognition differs from the transaction price, the entity must apply AASB 9 B5.1.2A.
AASB 7.29	5. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.
Interpretation 1031	<p>Goods and Services Tax (GST)</p>
	6. Receivables and payables must be stated with the amount of GST included. This also includes accruals. Accruals form part of 'receivables' and 'payables' and should be treated similarly. That is, where an accrual is made, it should include GST, even though a tax invoice may not have been received. This is because an event or transaction has occurred that will give rise to GST payable/ receivable in the future.
	7. The net amount of GST recoverable from or payable to the taxation authority must be included as part of receivables or payables.
	<p>Supplier Finance Arrangements</p>
AASB 107.44G	8. Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts an agency owes its suppliers and the agency agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Supplier finance arrangements are often referred to as 'supply chain finance', 'payables finance' or 'reverse factoring arrangements'. Arrangements that are solely credit enhancements for the entity (for example, financial guarantees including letters of credit used as guarantees) or instruments used by the entity to settle directly with a supplier the amounts owed (for example, credit cards) are not supplier finance arrangements.
AASB 107.44F	9. Agencies shall disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.
AASB 107.44H	10. Agencies shall disclose: <ul style="list-style-type: none"> a) the terms and conditions of the arrangements b) as at the beginning and end of the reporting period: <ul style="list-style-type: none"> i) the carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement ii) the carrying amounts, and associated line items, of the financial liabilities disclosed as part of a supplier finance arrangement for which suppliers have already received payment from the finance providers. iii) the range of payment due dates (for example, 30–40 days after the invoice date) for both the financial liabilities disclosed as part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement. Comparable trade payables are, for example, trade payables of the entity within the same line of business or jurisdiction as the financial liabilities disclosed as part of a supplier finance arrangement. If ranges of payment due dates are wide, an entity

Commentary on Payables

shall disclose explanatory information about those ranges or disclose additional ranges (for example, stratified ranges).

- c) the type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed as part of a supplier finance arrangement. Examples of non-cash changes include the effect of business combinations, exchange differences or other transactions that do not require the use of cash or cash equivalents

25. Current / Non-Current Liabilities – Borrowings

AASB 101.54(m) Treasury Mandates	2025 \$'000	2024 \$'000
Bank overdraft		
Derivatives		
Treasury advances repayable		
TCorp borrowings		
Other loans and deposits		
AASB 16.47(b) Lease liabilities (see Note 18)		
AASB 1059.17 Service concession financial liabilities*		
[Specify other major categories]		

*This relates to contractual payments made to the operator, refer to Note 16 for further details on the entity's service concession arrangements.

[Disclose the carrying amount/fair value of any assets pledged as security / collateral for liabilities and the related existence and amounts of restrictions on title]

AASB 7.14
AASB 116.74(a)

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 36.

AASB 7.31-42

Recognition and measurement

Appendix G

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

In most cases, even where amounts presented are material, accounting policy information in this note is likely to be immaterial. However, information on financial liabilities at fair value through profit and loss and financial guarantees is likely to be material due to the complex accounting involved and should be disclosed.

It may be necessary to also include sufficient information on the accounting treatment, to ensure the note is understandable. This could involve information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

Borrowing represents interest bearing liabilities mainly raised through NSW Treasury Corporation, lease liabilities, service concession arrangement liabilities and other interest bearing liabilities.

Financial liabilities at amortised cost

AASB 9.4.2.1
AASB 9.5.5.1
AASB 9.5.7.2

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

[Include below if agency holds material financial liabilities at fair value through profit or loss]

Financial liabilities at fair value through profit or loss

AASB 9 Appendix A

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading such as [\[include relevant categories\]](#) and financial liabilities designated upon initial recognition as at fair value through profit or loss.

AASB 9.4.2.1

Financial liabilities are classified as held-for-trading if they are incurred for the purpose of repurchasing in the near term or on initial recognition are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Derivatives are carried as financial liabilities when the fair value is negative. Gains or losses on liabilities held-for-trading are recognised in the net result.

AASB 9.4.1.5
AASB 9.4.2.2

Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

AASB 9.B4.1.29-32

AASB 9.B4.1.33-36

- the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- the liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

AASB 9.4.3.5
AASB 9.B4.3.10

The entity has not designated any financial liability as at fair value through profit or loss.

AASB 9.5.7.7

[\[Disclose reason for designating financial liabilities at fair value through profit or loss\]](#)

The changes in fair value of liabilities designated at fair value through profit or loss are recorded in profit or loss with the exception that movements in fair value due to changes in the entity's own credit risk are recorded in other comprehensive income and do not get recycled to net result.

[\[Agencies should only disclose the below accounting policy where they have material financial guarantees\]](#)

Financial Guarantees

AASB 9 App A

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

*Recognition and measurement*AASB 9.3.1.1
AASB 9.4.2.1(c)
AASB 9.B2.5

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, being the premium received. Subsequent to initial recognition, the entity's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation, and an expected credit loss provision.

The entity has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2025 and as at 30 June 2024. However, refer to Note 30 regarding disclosures on contingent liabilities.

AASB 107.44A
AASB 107.44C
AASB 107.44B

Changes in liabilities arising from financing activities

	Bank overdraft	Derivatives	Treasury advances repayable	TCorp borrowings	Other loans and deposits	Leases	Service concession arrangements	Total liabilities from financing activities
AASB 101.38	1 July 2023							
	Cash flows							
	New leases							
	New service concession arrangements							
	Foreign exchange adjustments							
	Other*							
	30 June 2024							
	1 July 2024							
	Cash flows							
	New leases							
	New service concession arrangements							
	Foreign exchange adjustments							
	Other*							
	30 June 2025							

* [Describe transactions included in 'Other']

[Disclosure below is only required when the agency's right to defer settlement of non-current loans is subject to complying with covenants within twelve months of the reporting period.]

Covenants

AASB 101.76ZA

For these arrangements agencies are required to disclose information about the covenant and the carrying amounts of related liabilities and any facts or circumstances that indicate the agency may have difficulty complying with the covenants.]

Commentary on Borrowings

Disclosure

Treasury Mandates

AASB 101.60

AASB 7.8

AASB 9.4.2.1

TPP21-10

TPP21-10

AASB 101.58(c)

Treasury Mandates

AASB 7.31-42

AASB 7.B5(a)

- The notes are to separately disclose the following categories: bank overdrafts, NSW Treasury advances repayable, TCorp borrowings, other loans and deposits, lease liabilities, service concession financial liabilities and other major categories (e.g. financial guarantee liabilities, where material – refer paras 8-11 below). Current and non-current portions are to be separately disclosed.
- The carrying amounts for each of the categories of financial instruments under AASB 9 must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements.
- Borrowings are generally measured at amortised cost using the effective interest method in AASB 9.
- In the rare circumstances where borrowings are 'held-for-trading', they must be separately disclosed in a line item in the Statement of Financial Position from other 'borrowings' that are measured at amortised cost. A borrowing can only be designated at fair value through profit or loss in limited circumstances (i.e. satisfies fair value option, appropriate for operations and approved by NSW Treasury).
- AASB 7 requires a variety of quantitative and qualitative disclosures for each type of risk (including credit risk, liquidity risk and market risk) to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed. This includes a maturity analysis for financial liabilities showing the remaining contractual maturities. Refer Note 36.

Financial liabilities designated at fair value through profit or loss

- When financial liabilities are designated at fair value through profit or loss, disclose the nature of these financial liabilities, the criteria for designation and how the entity has satisfied the standard requirements for designation.

Commentary on Borrowings	
AASB 7.10	<p>7. When an entity designates its financial liabilities at fair value through profit or loss (FVPL) in accordance with AASB 9 and is required to present the effects of changes in that liability's credit risk in other comprehensive income, it should disclose the following:</p> <ul style="list-style-type: none"> • the criteria for designating them at FVPL and how the entity has satisfied the conditions in AASB 9 for such designation • the amount of change, cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, including the method used to determine the amount and how the method is appropriate • the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation • any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers • if a liability is derecognised during the period, the amount (if any) presented in other comprehensive income that was realised at derecognition • detailed description of the economic relationship between the characteristics of the liability and the characteristics of the other financial instrument measured at fair value through profit or loss
AASB 7.11(c)	
AASB 7.10A	<p>8. When an entity designates its financial liabilities at FVPL in accordance with AASB 9 and is required to present <i>all</i> changes in fair value in profit or loss, it should disclose the following:</p> <ul style="list-style-type: none"> • the criteria for designating them at FVPL and how the entity has satisfied the conditions in AASB 9 for such designation • the amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, including the method used to determine the amount and how the method is appropriate • the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation • a detailed description of the methodology or methodologies used to determine whether presenting the effects of changes in a liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss
AASB 7.11(a)	
AASB 9.B5.1.1	<p>Interest free or low interest loan</p> <p>9. An interest free or low interest loan must initially be measured at its fair value (consistent with other financial instruments) less any transaction cost. Normally, most agencies' interest free or low interest loan payable are classified as at amortised cost and are subsequently amortised using the effective interest method. The fair value of a long-term interest free or low interest loan can be estimated as the present value of all future cash payments discounted using the prevailing market rates of interest for a similar instrument with a similar credit rating. Any additional amount lent is grant revenue. In the NSW public sector context, the market rate of interest is generally represented by the NSW TCorp government bond rate for the relevant term of the loan.</p>
AASB 13 TPP21-10	
AASB 16.21	<p>Lease liability under AASB 16</p> <p>10. Entities are required to use the rate implicit in the lease for initial recognition of the lease liability in the first instance. Where this cannot be determined, the incremental borrowing rate (IBR) should be used.</p> <p>11. Treasury and Treasury Corp (TCorp) will monitor rates and publish updated IBRs as required throughout the year. At a minimum, it is expected the IBR will be updated biannually. When the IBR changes the current lease liabilities should not be updated. The IBR rate reflects the cost of borrowing at a point in time and should be used for measuring lease liabilities for new leases. In case of reassessment of lease liabilities or lease modifications, IBR on the date of the reassessment or modification may need to be used.</p>
AASB 1059.16	<p>Service concession financial liabilities under AASB 1059</p> <p>12. The grantor has a contractual obligation to pay cash if it has agreed to pay the operator specified or determinable amounts, such as payments relating to the following:</p> <ul style="list-style-type: none"> a) third-party usage of a service concession assets, with or without guaranteeing a minimum amount to the operator; or b) the shortfall, if any, between amounts received by the operator from users of the service concession asset and any other specified or determinable amounts payable by the grantor, even if the payment is contingent on the operator ensuring that the service concession asset meets specified quality or efficiency requirements. <p>13. AASB 9, AASB 132 and AASB 7 apply to the financial liability recognised under service concession arrangements.</p>
AASB 1059.17	

Commentary on Borrowings	
	<p>Financial guarantee contracts</p>
AASB 9 App A	14. A financial guarantee contract is defined as a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.
TPP21-10	
TPP21-10	15. In NSW, for entities other than the Crown, financial guarantee contracts are most likely to arise where a financial guarantee relates to debts of parties outside the NSW public sector. Entities should review all contracts for any guarantees (where they are the issuer) that may meet the definition of a financial guarantee contract.
TPP21-10	16. The following matters should also be considered when determining the fair value of a guarantee: <ul style="list-style-type: none"> ▪ probability of default by the guaranteed party ▪ likely loss resulting from default ▪ the level of gearing (i.e. whether there will be sufficient assets to meet the obligations of creditors at that time) and whether the guaranteed party is solvent and liquid ▪ the likelihood that the guaranteed party would be inadequately funded to meet its financial obligations ▪ the stability of the industry / sector the guaranteed party operates in ▪ the overall capital management framework within which the guaranteed party operates.
AASB 9.4.2.1(c)	17. Financial guarantee contracts must initially be recognised by the issuer at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable transaction costs. After initial recognition, financial guarantee contracts are measured at the higher of the amount initially recognised less the cumulative amount of income recognised and an impairment based on expected credit losses.
	<p>Changes in liabilities arising from financing activities</p>
AASB 107.44A-44B	18. AASB 107 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. To the extent necessary to satisfy this requirement, an entity discloses the following changes in liabilities arising from financing activities: <ul style="list-style-type: none"> • changes from financing cash flows; • changes arising from obtaining or losing control of subsidiaries or other businesses; • the effect of changes in foreign exchange rates; • changes in fair values; and • other changes.
AASB 107.44C	19. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.
AASB 107.44E	
AASB 107.44D	20. The standard suggests that the disclosure requirement may be met by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows.
	<p>Loan Arrangements subject to covenants</p>
AASB 107.72A	21. An entity's right to defer settlement of a liability arising from a loan arrangement for at least twelve months after the reporting period may be subject to the entity complying with conditions specified in that loan arrangement (hereafter referred to as 'covenants').
AASB 107.72B(a)	22. Covenants affect whether that right exists at the end of the reporting period if an entity is required to comply with the covenant on or before the end of the reporting period. Such a covenant affects whether the right exists at the end of the reporting period even if compliance with the covenant is assessed only after the reporting period. (for example, a covenant based on the entity's financial position at the end of the reporting period but assessed for compliance only after the reporting period)
AASB 107.72(b)	23. Covenants do not affect whether that right exists at the end of the reporting period if an entity is required to comply with the covenant only after the reporting period (for example, a

Commentary on Borrowings	
AASB 107.73	<p>covenant based on the entity's financial position six months after the end of the reporting period).</p> <p>24. If an entity has the right, at the end of the reporting period, to roll over an obligation for at least twelve months after the reporting period under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. If the entity has no such right, the entity does not consider the potential to refinance the obligation and classifies the obligation as current.</p>
AASB 107.74	<p>25. When an entity breaches a covenant condition of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date.</p>
AASB 107.75	<p>26. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.</p>
AASB 107.76	<p>27. If the following events occur between the end of the reporting period and the date the financial statements are authorised for issue, those events are disclosed as non-adjusting events in accordance with AASB 110 Events after the Reporting Period: (a) refinancing on a long-term basis of a liability classified as current (see paragraph 72); (b) rectification of a breach of a long-term loan arrangement classified as current (see paragraph 74); (c) the granting by the lender of a period of grace to rectify a breach of a long-term loan arrangement classified as current (see paragraph 75); and (d) settlement of a liability classified as non-current (see paragraph 75A).</p>
AASB 107.76ZA	<p>28. In applying paragraphs 21–26, an entity might classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period (see paragraph 23). In such situations, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, including:</p> <ul style="list-style-type: none"> (a) information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of related liabilities. (b) facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants – for example, the entity having acted during or after the reporting period to avoid or mitigate a potential breach. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants if they were to be assessed for compliance based on the entity's circumstances at the end of the reporting period

26. Current / Non-Current Liabilities – Provisions

		2025 \$'000	2024 \$'000
	Employee benefits and related on-costs		
Treasury Mandates	Annual leave		
	Long service leave		
	[Specify other major categories]		
AASB 101.61	Current annual leave obligations expected to be settled after 12 months		
	Current long service leave obligations expected to be settled after 12 months		
	[Specify other major categories]		
	[For each liability line item that combines amounts expected to be settled no more than 12 months after the reporting date and more than 12 months after the reporting date, an entity must disclose the amount expected to be settled after more than 12 months.]		
Treasury Mandates	Other Provisions		
	Restoration costs		
	[Specify other major categories]		
Treasury Mandates	Aggregate employee benefits and related on-costs		
	Provisions		
	Accrued salaries, wages and on-costs (Note 24)		
AASB 137.85	[For each class of provision (other than employee benefits), entities must disclose a brief description of the nature of the obligation, expected timing of outflows, indication of uncertainties about the amount (including relevant major assumptions) or timing of those outflows and the amount of any related expected reimbursement.]		
AASB 137.84	Movements in provisions (other than employee benefits)		
	Movements in each class of provision during the financial year, other than employee benefits, are set out below:		
		[Class] \$'000	[Class] \$'000
		Total \$'000	
	Carrying amount at 1 July 2024		
	Additional provisions recognised		
	Amounts used		
	Unused amounts reversed		
	Unwinding of discount rate		
	Carrying amount at 30 June 2025		
	[Comparative information is not required.]		

Recognition and Measurement

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

In most cases, where amounts presented are material, it is likely that only information about significant judgements or assumptions involved in the estimation of provisions is material information.

It may also be necessary to include sufficient information on the accounting treatment, to ensure the overall note is understandable. This could involve information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

Employee benefits and related on-costs

Salaries and wages, annual leave and sick leave

AASB 119.9, 11, 16

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

AASB 119.16

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

TPG24-23

AASB 101.69

AASB 119.17, 18

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using X% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have the right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long service leave and superannuation

[Applicable where superannuation and long service leave liabilities are assumed by the Crown. Otherwise tailor accounting policy to your circumstances.]

AASB 119.127-131

TPG24-23

TC18-10

The entity's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. The entity accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits and other liabilities'.

AASB 119.72

AASB 119.155

TPG24-23

Treasury Mandates

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

TC18-10

AASB 119.51, 53

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Consequential on-costs

TPG24-23 Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Other provisions

AASB 137.14 Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

AASB 137.53
AASB 137.54
AASB 137.72 Any provisions for restructuring are recognised only when an entity has a detailed formal plan and the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

AASB 137.47, 60 If the effect of the time value of money is material, provisions are discounted at [X]% (2024: [X]%), which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

[Impact of Climate-Related Matters on Provisions – if applicable]

Agencies should disclose climate-related matters that have created provisions and impacted the estimation of the provision's value.]

Commentary on Provisions	
Treasury Mandates	1. The notes are to separately disclose: <ul style="list-style-type: none"> employee benefits and related on-costs: including annual leave, long service leave and other major categories other provisions including major categories (e.g. restoration costs, personnel services liabilities for entities receiving personnel services per TC15-07).
AASB 101.60	Current and non-current portions are to be separately disclosed.
AASB 119.8, 11	Employee benefits – recognition and measurement 2. Employee benefits are defined in AASB 119 to mean all forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment. The Standard outlines recognition criteria and disclosure requirements for employee benefits, including salaries and wages (including non-monetary benefits), annual leave, sick leave, long service leave, profit sharing and bonus plans, termination benefits and other post-employment benefits.
AASB 119.9, 16	3. AASB 119 provides that short-term employee benefits such as salaries and wages (including non-monetary benefits) (see Note 24, sick leave and other employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the period in which the employees render the service must be measured at undiscounted amounts. The Standard requires the remuneration rates to be based on what the entity expects to pay as at each reporting date.
AASB 119.66, 156	4. Present value measurement is required for long-term employee benefit liabilities that are not expected to be settled wholly before 12 months after the end of the period in which the employees render the related service (although 'short-hand' measurement techniques can be used). Long-term employee benefits are likely to include annual leave, because annual leave is typically not expected to be settled wholly within 12 months.
Treasury Mandates TPG24-23	5. For certain NSW GGS entities where the Crown assumes their long service leave and defined benefit superannuation liabilities, they do not recognise these liabilities in their Statement of Financial Position as their liability is extinguished. Instead they recognise a revenue and an expense equivalent to the liability assumed by the Crown. Refer Note 3(g).
TC18-10 TPG24-23	However, for employee benefit liabilities that are not assumed by the Crown, such as certain long service leave related on-costs and additional employee benefit costs that arise on incurring long service leave, including payroll tax, workers compensation insurance, annual
TPG24-23	

Commentary on Provisions	
TPG24-23	<p>leave accrued while on long service leave taken in service and defined contribution superannuation, a liability must be recognised per TPG24-23.</p> <p>6. Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 <i>Employee Benefits</i> (although short-cut methods are permitted).</p> <p>Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using X% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability.</p>
Treasury Mandates	<p>Employee benefits disclosure</p> <p>7. Entities must disclose the aggregate liability and the aggregate asset arising from employee benefits and related on-costs that have been recognised in the financial statements, identifying the current and non-current portions, where applicable. On-costs include workers compensation insurance and payroll tax.</p>
AASB 101.69	8. In accordance with AASB 101, all annual leave and unconditional long service leave must be classified as a current liability, even where the entity does not expect to settle the liability wholly within 12 months. This does not necessarily align with the distinction between short-term and long-term employee benefits under AASB 119. For example, annual leave must be classified as 'current' in the Statement of Financial Position, but it is likely to be recognised and measured, as a long-term employee benefit.
TPG24-23	
AASB 101.61	9. Notwithstanding this, AASB 101 provides that for each liability line item that combines amounts expected to be settled no more than 12 months after the reporting date and more than 12 months after the reporting date, an entity must disclose the amount expected to be settled after more than 12 months.
	<p>Superannuation liabilities</p>
TC18-10	10. Where superannuation is not assumed by the Crown, there may be an unfunded superannuation liability that must be fully recognised and disclosed by the entity.
AASB 119.135-152	AASB 119 and TC18-10 set out the recognition and disclosure requirements in regard to defined benefit superannuation plans where the superannuation liabilities are not assumed by the Crown. Where the superannuation liabilities are not assumed, information to satisfy the AASB 119 disclosure requirements are provided to entities as part of the annual Superannuation Position Statement issued by Mercer Administration Services (Australia) Pty Ltd or the Energy Industries Superannuation Scheme.
TC18-10	
	<p>Other provisions- recognition and measurement</p>
AASB 137.5, 7	11. AASB 137 prescribes requirements for the recognition, measurement and disclosure of provisions and reimbursements receivable and disclosure of contingent liabilities and assets. Among other things, the Standard generally does not apply to 'employee benefits', which are subject to AASB 119 or 'financial instruments' that are within the scope of AASB 9. The term 'provisions' does not include depreciation and doubtful debts as these are adjustments to the carrying amounts of assets. Provisions are a subset of liabilities. A provision is defined in AASB 137 as 'a liability of uncertain timing or amount'.
AASB 137.10	12. A provision must be recognised in the Statement of Financial Position when and only when:
AASB 137.14, 23	<ul style="list-style-type: none"> • an entity has a present obligation (legal or constructive) as a result of a past event • it is probable (more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and • a reliable estimate can be made of the amount of the obligation.
AASB 137.17	13. A past event that leads to a present obligation is called an obligating event. For an event to be an obligating event, it is necessary that the entity has no realistic alternative to settling the obligation. This is the case only:
	<ul style="list-style-type: none"> • where the settlement of the obligation can be enforced by law (a legal obligation exists) or • in the case of a constructive obligation, where the event (which may be an action of the entity) creates valid expectations in other parties that the entity will discharge the obligation.
AASB 137.36, 42, 45, 47	14. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation as at the reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditure expected to be required to settle the obligation. The discount rate shall be a pre-tax discount rate that reflects current market assessments of the

Commentary on Provisions	
	time value of money and the risks specific to the liability. The discount rate shall not reflect risks for which future cash flow estimates have been adjusted.
TPG23-21 AASB 119 Aus83.1 Treasury Mandates	For not-for-profit entities, the discount rate is to be based on the market yield on Commonwealth government bonds as published by the Reserve Bank of Australia, modified to reflect entity / liability specific risks. For-profit entities are required to use high quality corporate bond rates. Refer to the Group of 100 Discount Rate Report and Discount Curve as published monthly.
	Reimbursements
AASB 137.53	15. The Standard provides that when some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised as a separate asset when, and only when, it is virtually certain that the reimbursement will be received if the entity settles the obligation.
AASB 137.54	16. In these circumstances the expense recognised in respect of the provision may be presented net of the reimbursement.
	Restoration provisions
AASB 137.17, 19-22	17. AASB 137 applies to provisions for the retirement or disposal of long lived assets. Obligations may be legal or constructive. However, it is only those obligations arising from past events that exist independently of an entity's future actions that are recognised as provisions. This may arise as a consequence of installation or as a consequence of using an item. Provisions cannot be recognised for major periodic maintenance or overhauls as there is no present obligation.
AASB 137.Appendix C	Examples in the Standard for provisions for restoration / remediation include: <ul style="list-style-type: none"> • penalties or clean-up costs for unlawful environmental damage • decommissioning costs of an oil installation or nuclear power station to the extent the entity is obliged to rectify damage already caused
Interpretation 1.6, Aus6.1	18. Any changes in decommissioning and restoration provisions must be accounted for in accordance with Interpretation 1. Under the revaluation model, any decrease in the liability must be credited directly to the asset revaluation surplus, except that it must be recognised in profit/loss to the extent that it reverses a previous revaluation decrease in respect of that class that is recognised in profit or loss. Any increase in the liability must be recognised in profit or loss, except that it must be debited to the revaluation surplus to the extent of any credit balance existing in the reserve for that class. However, where a decrease in the liability exceeds the amount that would have been recognised had the asset been carried under the cost model, the excess must be recognised immediately in profit or loss.
	Restructuring
AASB 137.71, 72 AASB 137.10	19. The Standard specifies the conditions under which provisions for restructurings are recognised, including restructurings occurring as a consequence of an acquisition of an entity or operation, and the costs that are included in such provisions. Restructuring is defined to mean a program that is planned and controlled by the entity's management and materially changes either the scope of a business undertaken by an entity or the manner in which that business is conducted.
	Onerous contracts
AASB 137.66, 68, 68A	20. If an entity has an onerous contract, the present obligation under the contract must be recognised and measured as a provision. An onerous contract is a contract under which the entity's unavoidable costs of meeting its obligations under the contract exceed the economic benefits expected to be received. While not explicit in the Australian Accounting Standard, the concept of onerous contracts is only relevant to the public sector in limited circumstances. For example, where a public sector entity provides social benefits by delivering health, education, transport and other social services to the community, any contract to provide such benefits cannot be regarded as an onerous contract. This is because the nature of the benefit is such that there is no expectation that the public sector entity will receive consideration approximately equal to the value of goods and services provided, from the recipients of these benefits (i.e. the community).
	Other provisions – disclosure
AASB 137.85	21. AASB 137 requires disclosure for each class of provision of: <ul style="list-style-type: none"> • a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits • an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, the entity shall disclose the major assumptions made concerning future events, and

Commentary on Provisions	
	<ul style="list-style-type: none"> the amount of any expected reimbursement, stating the amount of any asset recognised for that expected reimbursement.
AASB 137.84	22. Movements during the reporting period for each class of provision must also be disclosed. Comparatives are not required.
AASB 137.92	23. Entities are exempt from disclosure in the rare circumstances where disclosure would be expected to seriously prejudice the position of the entity in a dispute with other parties on the subject matter of the provision. However, the entity shall disclose the general nature of the dispute, together with the fact and reason why that information has not been disclosed.

27. Current / Non-Current Liabilities – Other liabilities

		2025 \$'000	2024 \$'000
	Unearned revenue		
AASB 1059.21	Grant of right to operate liability under service concessions*		
AASB 1058.31	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity [Specify other major categories]		

*This is the unearned portion of the revenue from exchange of assets and is progressively reduced over the period of the arrangement. Refer to Note 3(h) and 16 for further information on service concession arrangements.

		2025 \$'000	2024 \$'000
	Reconciliation of financial assets and corresponding liabilities arising from transfers to acquire or construct non-financial assets to be controlled by the entity		
AASB 1058.31	Opening balance of liabilities arising from transfers to acquire/construct non-financial assets to be controlled by the entity Add: receipt of cash during the financial year Deduct: income recognised during the financial year Closing balance of liabilities arising from transfers to acquire/construct non-financial assets to be controlled by the entity		
AASB 1058.32	Refer to Note 3(f) for a description of the entity's obligations under transfers received to acquire or construct non-financial assets to be controlled by the entity.		
AASB 1058.33	The entity expects to recognise as income any liability for unsatisfied obligations as at the end of the reporting period evenly in the next X financial years, as the related asset(s) are constructed/acquired.		

Commentary on Other Liabilities	
	Disclosure
Treasury Mandates	<ol style="list-style-type: none"> The notes are to disclose the liability for unearned revenue and any major categories of other liabilities. Current and non-current portions are to be separately disclosed.
	Liability for lapsed appropriations drawn down
	<ol style="list-style-type: none"> NSW Treasury has clarified that a liability should not be recognised for the spending authority from appropriations that has lapsed at 30 June, as far as the entity has sufficient spending

Commentary on Other Liabilities	
	authority effective on the day from the Appropriations Act for the next financial year and/or deemed appropriations. This should be applied retrospectively.
	Unearned revenue
AASB 15.105	4. Upon transition to AASB 15, the following items are no longer included in unearned revenue: <ul style="list-style-type: none"> • cash received in relation to outstanding performance obligations is separately presented as 'contract liabilities'
AASB 1058.31	5. Upon transition to AASB 1058, cash received in relation to uncompleted transfers to acquire/construct non-financial assets is separately disclosed as 'liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity'.
AASB 1059.21	6. Liability recognised for the unearned portion of the revenue arising from the exchange of assets between the grantor and the operator under service concession arrangement in accordance with AASB 1059 is separately disclosed as 'grant of right to operate liability'
AASB 15 Aus8.1,8.3	7. Therefore, unearned revenue is expected to be used under limited circumstances, e.g. for entities adopting the practical expedient for short-term and/or low value licences, revenue can continue to be amortised over the licence term even where there are no outstanding substantial performance obligations.
	Multi-year government grant agreements
AASB 137.Aus26.1-Aus26.2	8. Where a government entity intends to make payments to other parties, whether as a result of government budget policy, election promises or a statement of intent, this does not of itself create a present obligation which is binding on the government entity. A liability would be recognised only where the government entity is committed in the sense that it has little or no discretion to avoid the sacrifice of future economic benefits. For example, a government entity does not have a present obligation to sacrifice future economic benefits under multi-year public policy grant agreements until the grantee meets conditions, such as grant eligibility criteria, or has provided the services or facilities required by the grant agreement. Where the grantee meets these conditions, only amounts outstanding in relation to current or previous periods satisfy the definition of liabilities.
	Transfers to acquire or construct non-financial assets to be controlled by the entity
AASB 1058.31	9. Disclose opening and closing of financial asset and liability balances arising from grants to transfer received to construct recognisable non-financial assets to be used by the entity, and income recognised from these transfers.
AASB 1058.33	10. An entity shall disclose an explanation of when it expects to recognise as income any liability for unsatisfied obligations as at the end of the reporting period, either on a quantitative basis or through qualitative information.
	Prepaid taxes
AASB 1058.29(b)	11. An entity shall consider disclosing financial liabilities relating to prepaid taxes or rates for which the taxable event has yet to occur, and the future period(s) to which those taxes or rates relate.

28. Equity

If an amount presented in the financial statements is immaterial in amount and nature, no accounting policy information need be disclosed.

Where material, the accounting for equity transfers is considered complex and the accounting policy information is needed for users to understand this note. Other accounting policy information on the different components of equity is not likely to be material.

It may be necessary to also include sufficient information on the accounting treatment, to ensure the overall note is understandable. This could involve information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

Revaluation surplus

AASB 101.79(b)

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the entity's policy on the revaluation of property, plant and equipment as discussed in Note 16.

Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

Reserves

Treasury Mandates

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or AAS (e.g. revaluation surplus and foreign currency translation reserve).

Increase / Decrease in Net Assets from Equity TransfersAASB 1004.58
TPP21-08
Treasury Mandates

[Details of assets and liabilities transferred in broad categories and a reconciliation to the change in net assets from equity transfers; including comparative figures for the previous financial year for the transferred function or activity.]

Equity transfers - Recognition and MeasurementInterpretation 1038
AASB 1004.54-59

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by AAS to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

AASB 138.63, 75
TPP21-08

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

Commentary on Increase / Decrease in Net Assets from Equity Transfers**Contribution by or distribution to owners**

TPP21-08

1. In NSW, the transfer of net assets as a result of transfers effected by Administrative Arrangements Orders, other transfers of programs / functions or part thereof, equity appropriations and certain other transfers are designated by NSW Treasury as 'contributions by owners'. These transfers are regarded as contributions by owners, in terms of Interpretation 1038, as the Government has in effect made a policy decision to increase the financial resources of a public sector entity (i.e. the entity's equity). Transfers that are a 'restructure of administrative arrangements' with government controlled not-for-profit entities and for-profit government entities subject to AASB 1004 must be recognised as 'contributions by owners'.

AASB 1004.54-58

2. A 'restructure of administrative arrangements' is defined in AASB 1004 as: "The reallocation or reorganisation of assets, liabilities, activities and responsibilities amongst the entities that the government controls that occurs as a consequence of a rearrangement in the way in which activities and responsibilities are prescribed under legislation or other authority are allocated between the government's controlled entities". The scope of the requirements relating to 'restructures of administrative arrangements' is limited to the transfer of a 'business' (as defined in AASB 3 *Business Combinations*). A 'business' is defined in AASB 3 as "an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants" (AASB 3, Appendix A).

AASB 1004.Appendix A

AASB 3.Appendix A

Disclosure

AASB 1004.58

3. AASB 1004 requires separate disclosure of the total amounts of any assets and liabilities recognised as a result of a restructuring of administrative arrangements during the financial year.

Commentary on Increase / Decrease in Net Assets from Equity Transfers	
TPP21-08	4. This is further elaborated on in NSW Treasury's Policy. This Policy requires certain disclosures to be made in regard to transfers designated as contributions by owners (i.e. equity transfers), including details / amounts of assets and liabilities transferred.
AASB 5.Aus2.1, 33	5. AASB 5 does not apply to restructuring of administrative arrangements subject to AASB 1004. However, the AASB 5 discontinued operation disclosure requirements may apply in limited circumstances where restructures are not subject to AASB 1004. Where this is the case, AASB 5 requires additional disclosures.
Treasury Mandates	6. NSW Treasury mandates the following disclosures on equity transfers: <ul style="list-style-type: none"> • Details of assets and liabilities transferred in broad categories for each transfer; • Reconciliation to the change in net assets from equity transfers; and • Comparative figures for the previous financial year for each transferred function
Value of assets and liabilities transferred	
AASB 1004.BC28	7. In determining the value of assets transferred as a result of administrative restructuring that is subject to AASB 1004, assets need not be recognised at their fair values and may be recognised at the amounts at which the assets were recognised by the transferor entity immediately prior to the restructuring of administrative arrangements.
TPP21-08	
TPP21-08 AASB 116.31	8. In most instances there will not be a material difference between the fair value and the carrying amount of the asset (i.e. where the existing use is the same). This is because AASB 116 provides that where fair value is adopted, revaluations must be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.
	9. For other equity transfers that are not restructuring of administrative arrangements under AASB 1004, the transferee must recognise transfers at fair value (subject to para 10 below). Where the existing use of the physical assets is different between the two entities, the transferor's fair value prior to the transfer will be different to the fair value of the asset recognised by the transferee. As a result, the difference in value between the carrying amount previously recognised by the transferor and the fair value to be recognised by the transferee is to be recognised by the transferor in its financial statements immediately prior to transfer.
TPP21-08	10. Other exceptions to the fair value measurement principle:
AASB 138.63-64, 75	<ul style="list-style-type: none"> • Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market (AASB 138 para 75), the transferee recognises the asset at the transferor's carrying amount.
AASB 127.10	<ul style="list-style-type: none"> • Where the transferor does not recognise an internally generated intangible subject to AASB 138 para 63-64 (i.e. internally generated brands, mastheads, customer lists etc.), the transferee must not recognise that asset. • Where the only change is that a government-controlled entity becomes a subsidiary of another government-controlled entity, as described in TPP21-08 Section 6.5, Treasury's Policy permits but does not require entities to measure in the parent entity's financial statements, the parent entity's investment in the subsidiary at cost as permitted under AASB 127; and in the consolidated financial statements, the assets and liabilities based on their previous carrying amounts.
Example note disclosure	
AASB 1004.58	<p>The following example disclosure relates to an entity that has received / transferred out a program group and that has received an equity appropriation.</p> <p><u>Example Note Disclosure for Entity A</u></p> <p>a) Program Group X was transferred to Entity A from Entity C. b) Program Group Y was transferred to Entity B from Entity A. c) Equity appropriation received by Entity A to fund payment to for-profit Entity D.</p> <p>Descriptions of the purposes of the above program groups are in Note 9.</p> <p>Responsibility assumed for Program Group X Assets transferred from Entity C Plant and equipment Liabilities transferred from Entity C Provision for employee benefits Responsibility relinquished for Program Group Y Assets transferred to Entity B</p>

Commentary on Increase / Decrease in Net Assets from Equity Transfers

Plant and equipment
 Liabilities transferred to Entity B
 Provision for employee benefits
 Equity appropriation received
 Payment to adjust for-profit Entity D's capital structure (funded from equity Appropriation)
 Increase in net assets from equity transfers

29. Commitments

2025
\$'000

2024
\$'000

AASB 116.74(c)
AASB 138.122(e)

Capital Commitments
 Aggregate capital expenditure for the acquisition of [specify] contracted for at balance date and not provided for:

Within one year
 Later than one year and not later than five years
 Later than five years
 Total (including GST)

Commentary on Commitments

AASB 12.23(a)

Disclosure

1. Commitments relating to joint ventures and associates must be separately disclosed from other commitments.

Interpretation 1031

Goods and Services Tax

2. Consistent with Interpretation 1031 *Accounting for the GST* commitments must be shown inclusive of GST.

However, the amount of any tax recoverable from or payable to the Australian Taxation Office included within commitments must also be disclosed.

30. Contingent Liabilities and Contingent Assets

2025
\$'000

2024
\$'000

[Specify]

Contingent liabilities

AASB 137.86

[For each class of contingent liabilities, the following must be disclosed: a brief description of the nature of the contingent liability; an estimate of the potential financial effect (or statement that this is not practicable); an indication of the uncertainties relating to the amount or timing of any outflow; and the possibility of any reimbursement.]

AASB 7.14-15

[Disclose the carrying amount/fair value of any financial assets pledged as security / collateral for contingent liabilities.]

AASB 137.89

Contingent Assets

[For each class of contingent assets, the following must be disclosed: brief description of the nature of the contingent assets; and, where practicable, an estimate of the potential financial effect (or statement that this is not practicable).]

Commentary on Contingent Liabilities and Contingent Assets

AASB 137.10

1. AASB 137 provides that contingent liabilities are:

- possible liabilities that arise from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or

Commentary on Contingent Liabilities and Contingent Assets	
AASB 137.10	<ul style="list-style-type: none"> provisions that fail either or both the criteria for recognition as liabilities i.e. not probable or cannot be measured reliably.
AASB 137.33-34, 53, 89	2. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
AASB 137.30, 86	3. AASB 137 adopts a 'prudent' approach and requires a separate asset to be recognised when the related realisation of revenue or expected recovery receivable is virtually certain. AASB 137 requires disclosure of contingent assets when realisation is probable. Therefore, the AASB 137 treatment of contingent assets and recoveries receivable is inconsistent with the treatment of contingent liabilities because liabilities are recognised when outflows of resources are probable and contingent liabilities are disclosed when the possibility of outflows is higher than remote but less than probable.
AASB 137.86, 89	4. AASB 137 provides that the following information for each class of contingent liabilities and contingent assets must be disclosed: <ul style="list-style-type: none"> a brief description of the nature of the contingent liability / asset an estimate of the financial effect, or a statement that it is not practicable to make such an estimate when that is the case in relation to contingent liabilities, an indication of the uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement.
AASB 137.28, 34,	5. When the probability of the contingent liability is remote, the entity need not make the above disclosures. For contingent assets, the above disclosures are required when the inflow of economic benefits is probable.
AASB 12.23(b)	6. Contingent liabilities relating to joint ventures and associates must be separately disclosed from other contingent liabilities.
AASB 137.92	7. Entities are exempt from disclosure in the rare circumstances where disclosure would be expected to seriously prejudice the position of the entity in a dispute with other parties on the subject matter of the contingent asset or liability. However, the general nature of the dispute, together with the fact and reason why that information has not been disclosed, must be stated.
AASB Appendix C, Ex 10	137.32, 8. Examples of contingent liabilities and assets are included in the Standard – e.g. legal proceedings where damages are sought from the entity, but where lawyers advise that it is not probable the entity will be found liable.

31. Budget Review

AASB 1055.6	<p>The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.</p> <p>Net result</p> <p>The actual net result was lower / higher than budget by \$X, primarily due to:</p> <p>[Give detailed reasons for and quantify major variances between original budget and actual for expenses, revenue and gains/losses contributing to the Net Result variance].</p>
AASB 1055.6(f)	<p>Assets and liabilities</p> <p>[Give detailed reasons for and quantify major variances between original budget and actual for current and non-current categories of assets and liabilities].</p>
AASB 1055.6(f)	<p>Cash flows</p> <p>[Give detailed reasons for and quantify major variances between original budget and actual for cash flows from operating, investing and financing activities].</p>

32. Reconciliation of Cash Flows from Operating Activities to Net Result

AASB 107.Aus20.2

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2025 \$'000	2024 \$'000
Net cash used on operating activities		
Depreciation and amortisation expense		
Allowance for impairment		
Decrease / (increase) in provisions		
Increase / (decrease) in prepayments and other assets		
Increase / (decrease) in contract assets		
Decrease / (increase) in payables		
Decrease / (increase) in contract liabilities		
Net gain / (loss) on sale of property, plant and equipment and investment properties		
Net result		

Commentary on Reconciliation of Cash Flows from Operating Activities to the Net Result

AASB 1054.16

The financial statements shall provide a reconciliation of the net cash flows from operating activities to profit or loss or net result.

33. Non-cash Financing and Investing Activities

AASB 107.43

[Disclose investing and financing transactions/other events
which do not result in cash flows]

2025 \$'000	2024 \$'000
----------------	----------------

Commentary on non-cash financing and investing activities

Examples include: assets received by donation; plant and equipment acquired by a lease; liabilities and expenses assumed by the Government; and assets and liabilities assumed or relinquished as a result of restructuring of administrative arrangements.

34. Trust Funds

Framework 49(a)

The entity holds money in a Miscellaneous Trust Fund which is used for [\[specify\]](#). As the entity performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the entity's own objectives, these funds are not recognised in the financial statements. The following is a summary of the transactions in the trust account:

	2025 \$'000	2024 \$'000
Cash balance at the beginning of the financial year		
Add: Receipts		
Less: Expenditure		
Cash balance at the end of the financial year		

Commentary on Trust Funds	
Framework 49(a)	<p>Disclosure of trust funds</p> <p>1. As the entity performs only a custodial role in respect of trust monies, and because the monies cannot be used to obtain benefits from its activities (i.e. the definition criteria for assets are not met), trust funds are not brought to account in the financial statements but are shown in the notes for information purposes.</p>
Treasury mandates	<p>2. Disclosure of types, purposes and movements of trust funds by broad categories.</p>

35. Administered Assets and Liabilities

AASB 1050.7(c)(d)
AASB 1055.7(a)
Treasury Mandates

	Budget*		
	2025	2025	2024
	\$'000	\$'000	\$'000
Administered Assets			
Receivables			
Land and buildings			
[Other material categories]			
Total Administered Assets			
Administered Liabilities			
[Other material categories]			
Total Administered Liabilities			

*This column is **only** required when an entity has included administered items in its original budgeted financial statements presented to Parliament. The column **must** be omitted where this has not occurred.

[Refer Note 31 for details regarding major variances between budget and actual for 2025].

Commentary on Administered Assets and Liabilities	
AASB 1050.11 TPP 21-03	<p>1. An entity may manage government assets in the capacity of an agent and may incur liabilities which may, for example, involve a future disbursement from the Consolidated Fund or other Fund, but which will not involve a reduction of assets controlled by the entity. Assets and liabilities of this type are referred to in AASB 1050 <i>Administered Items</i> as administered assets and liabilities.</p>
AASB 1050.7(c)(d) AASB 1050.11 Treasury Mandates	<p>2. Administered assets and liabilities are not recognised in the Statement of Financial Position, but are required by AASB 1050 to be disclosed in the notes, showing separately each major class of asset and liability. The Code extends these requirements to all NSW GGS entities.</p>
AASB 1050.24	<p>3. Administered assets and liabilities are reported on the same basis adopted for the recognition of assets and liabilities in the financial statements.</p> <p>4. Entities must disclose administered assets and liabilities including receivables, land and buildings and other material categories. Receivables include administered income receivable (e.g. Consolidated Fund - taxes, fees and fines) and any deductions for the allowance for impairment.</p>
AASB 1055.7(a)	<p>5. An entity with administered items included in its original budgeted financial statements presented to Parliament must disclose the corresponding budgeted amount for these items for the current financial year.</p>
AASB 1055.7(b)	<p>6. Entities disclosing original budgeted amounts for administered items must quantify major variances between the budgeted and actual amounts for these items, and give detailed reasons for the variances in Note 31.</p>

36. Financial Instruments

AASB 7.31

The entity's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operations. The entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The entity's main risks arising from financial instruments are outlined below, together with the entity's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The [Secretary / Board] has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the entity on a continuous basis.

a) Financial instrument categories

AASB 7.8

Class	Note	Category	Carrying Amount	
			2025	2024
Financial Assets				
Cash and cash equivalents	10	Amortised cost		
Receivables ¹	11	Amortised cost		
Contract assets ²	12			
Financial assets at fair value	14	Fair value through profit or loss – mandatory classification		
		Fair value through profit or loss – designated as such at initial recognition		
		Fair value through other comprehensive income		
		Fair value through other comprehensive income – designated as such at initial recognition ⁴		
Other financial assets	15	Amortised cost		
Financial Liabilities				
Payables ³	24	Financial liabilities measured at amortised cost		
Borrowings	25	Financial liabilities measured at amortised cost		
	25	Fair value through profit or loss – designated as such at initial recognition		

Notes

AASB 132.AG11-AG12

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7). Includes lease receivables.
2. While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 for the purpose of the credit risk disclosures.
3. Excludes statutory payables and unearned revenue (not within scope of AASB 7). Includes lease liabilities.
4. Only applicable to equity instruments

The entity determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

36. Financial Instruments

b) Derecognition of financial assets and financial liabilities

Appendix G

Accounting policy information on derecognition of financial instruments is likely to be immaterial where it only contains information from AASB 9. An example of material accounting policy information would be significant judgements in assessing whether a financial instrument meets the criteria to be derecognised.

It may be necessary to also include sufficient information on the accounting treatment, to ensure the note is understandable. This could involve information from the relevant Australian Accounting Standards.

Agencies should amend the accounting policy information to include agency specific information where appropriate.

However, management should make its own assessment.

- AASB 9.3.2.3(a) A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- AASB 9.3.2.3(b)
- AASB 9.3.2.4(a)
 - the entity has transferred substantially all the risks and rewards of the asset; or
 - the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.
- AASB 9.3.2.4(b)
- AASB 9.3.2.6 When the entity has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.
- AASB 9.3.2.16
- AASB 9.3.2.17
- AASB 9.3.2.16(a) Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.
- AASB 9.3.3.1 A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.
- AASB 9.3.3.2
- AASB 9.3.3.3

c) Offsetting financial instruments

- AASB 132.42 Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

d) Financial risks

i. Credit risk

[NB: Entity must review its own circumstances and amend this note accordingly. Agencies who do not have any ECL provision or their only counter parties are other NSW Government agencies have minimal credit risk and should disclose this fact.]

AASB 7.AppA

AASB 7.35K(a), 36

AASB 7.33

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

36. Financial Instruments

AASB 7.35K(b)	<p>Credit risk arises from the financial assets of the entity, including cash, receivables, and authority deposits. No collateral is held by the entity. The entity has not granted any financial guarantees [details are required to be disclosed where collateral is held or guarantees have been granted].</p> <p>Credit risk associated with the entity’s financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.</p>
AASB 7.35F(b) AASB 9.5.5.9 AASB 9.B5.5.37	<p>The entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.</p> <p><i>Cash and cash equivalents</i></p> <p>Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorpIM Cash Fund is discussed in market risk below.</p> <p><i>Accounting policy for impairment of trade receivables and other financial assets</i></p> <p><i>Receivables - trade receivables [if applicable - contract assets, and lease receivables]</i></p> <p>Collectability of trade receivables is reviewed on an ongoing basis. [Disclose procedures developed to recover outstanding amounts].</p> <p>The entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables [if applicable - contract assets and lease receivables].</p>
AASB 7.21	<p>To measure the expected credit losses, trade receivables [if applicable - contract assets and lease receivables] have been grouped based on shared credit risk characteristics and the days past due.</p>
AASB 101.117 AASB 7.21 AASB 9.5.5.15	<p>The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The entity has identified [the GDP and the unemployment rate] to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.</p>
AASB 7.35F(c)	<p>Trade receivables [if applicable - contract assets and lease receivables] are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than [xx] days past due.</p>
AASB 7.35G	<p>The loss allowance for trade receivables [if applicable - contract assets and lease receivables] as at 30 June 2025 and 2024 was determined as follows:</p>
AASB 7.35F(e)	
AASB 7.35M (b) AASB 7.35N	

	30 June 2025					
	\$000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate						
Estimated total gross carrying amount						
Expected credit loss						
	30 June 2024					
	\$000					

36. Financial Instruments

	Current	<30 days	30–60 days	61–90 Days	>91 days	Total
	Expected credit loss rate					
	Estimated total gross carrying amount					
	Expected credit loss					
AASB 132.AG12	Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the sum of the receivables total in Note 11 and the contract assets total in Note 12.					
AASB 7.34(c) AASB 7.35B(c), 35M	The entity is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2025 and 2024. Most of the entity's debtors have a [XXX] credit rating.					
	<i>Other financial assets - Authority Deposits [if applicable, tailor below for other receivables]</i>					
AASB 7.35F.(a)(i)	The entity has placed funds on deposit with TCorp, which has been rated 'AA+' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. These deposits are considered to be low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. The entity recognised provision for expected credit losses on its other financial assets in the amount of \$xx in 2025 (2024: \$xx).					
	<i>[Include below if applicable]</i>					
	<i>Debt financial assets at fair value through other comprehensive income</i>					
	<i>The entity invests only in quoted debt securities with very low credit risk. The entity's debt instruments at fair value through other comprehensive income comprised solely of quoted bonds that are graded in the top investment category by Standard and Poor's and, therefore, are considered to be low credit risk investments. The loss allowance recognised during the period was therefore limited to 12 months expected losses. The entity recognised provision for expected credit losses on its debt instruments at fair value through other comprehensive income in the amount of \$xx in 2025 (2024: \$xx).</i>					
	ii. Liquidity risk					
AASB 7.AppA AASB 7.33, 39(c)	Liquidity risk is the risk that the entity will be unable to meet its payment obligations when they fall due. The entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.					
	<i>[Details of credit standby arrangements of the entity; and a summary of the used and unused loan facilities of the entity, as this is considered a best practice disclosure.]</i>					
	During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. The entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.					
AASB 7.18	Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was [X]% (2024 - [X]).					

36. Financial Instruments

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

AASB 7.39(a)(b) *Maturity analysis and interest rate exposure of financial liabilities*

AASB 7.B11	Weighted Average Effective Int. Rate %	Nominal Amount ² \$'000	Interest rate exposure			Maturity dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000	< 1 year \$'000	1 to 5 years \$'000	> 5 years \$'000
2025								
	Payables ³							
	Borrowings							
	Derivatives							
	Bank overdraft							
	Advances repayable							
	TCorp borrowings							
	Other loans and deposits							
AASB 16.58	Lease liabilities							
	Service concession financial liabilities							
	[Specify other major classes]							
2024								
	Payables ²							
	Borrowings							
	Derivatives							
	Bank overdraft							
	Advances repayable							
	TCorp borrowings							
	Other loans and deposits							
	Lease liabilities							
	Service concession financial liabilities							
	[Specify other major classes]							

²The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. These amounts include both interest and principal cashflows and therefore will not reconcile to the amounts disclosed in the statement of financial position.

³ The amounts disclosed here exclude statutory payables and unearned revenue (not within scope of AASB 7).

iii. Market risk

AASB 7.AppA
AASB 7.33

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The entity's exposures to market risk are primarily through interest rate risk on the entity's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The entity has no exposure to foreign currency risk and does not enter into commodity contracts.

AASB 7.40, B17-21

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2024. The analysis assumes that all other variables remain constant.

Interest rate risk

AASB 7.B22

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. Exposure to interest rate risk arises primarily through the entity's interest-bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp.

AASB 7.22A

The entity does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned.

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

AASB 7.40(a)

	2025 \$'000		2024 \$'000	
	-1%	+1%	-1%	+1%
Net Result				
Equity				

AASB 7.B25 - B28

Other price risk – TCorpIM Funds

AASB 7.33

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM funds, which are held for strategic rather than trading purposes. The entity has no direct equity investments. The entity holds units in the following TCorpIM Funds trusts:

Facility	Investment Sectors	Investment Horizon	2025 \$'000	2024 \$'000
TCorpIM Cash Fund	Cash and fixed income	Up to 1.5 years		
TCorpIM Short Term Income Fund	Cash and fixed income	1.5 years to 3 years		
TCorpIM Medium Term Growth Fund	Cash and fixed income, credit, equities, alternative assets, real assets	3 years to 7 years		
TCorpIM Long Term Growth Fund	Cash and fixed income, credit, equities, alternative assets, real assets	7 years and over		

[Note: Only disclose those facilities in which the entity has an investment (current or prior year)]

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM Funds facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Funds facilities limits the entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

AASB 7.40(b)

TCorp provides sensitivity analysis information for each of the Investment facilities, which is used to demonstrate the impact on the funds' net assets as a result of a change in the unit price. This impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement). Actual movements in the price risk variables may differ to the sensitivity rate used due to a number of factors. The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results.

AASB 7.40(a)

	Change in unit price	Impact on net result / equity	
		2025 \$'000	2024 \$'000
TCorpIM Cash Fund	+/-V%		
TCorpIM Short Term Income Fund	+/-W%		
TCorpIM Medium Term Growth Fund	+/-Y%		
TCorpIM Long Term Growth Fund	+/-Z%		

e) Fair value measurement

i. Fair value compared to carrying amount

AASB 13.9

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

AASB 13.16

The following table details the financial instruments, by class, where the fair value differs from the carrying amount:

AASB 7.25-26,29

AASB 13.93(a)

AASB 7.25-26

	2025		2024	
	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000
Financial assets				
[Describe]				
Financial liabilities				

ii. Fair value recognised in the Statement of Financial Position

AASB 7.29

Management assessed that cash and short-term deposits, trade receivables, trade payables, [\[bank overdrafts\]](#) and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

AASB 13.93(d)

[\[For Level 2 and Level 3 fair value measurements, a description of the valuation techniques and the inputs used in the fair value measurement. If there has been a change in valuation technique, the entity must disclose that change and the reason for making it.\]](#)

AASB 13.61

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

AASB 13.72-90, 91-99

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

AASB 13.93(b)	2025			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
	Financial assets at fair value			
	Derivatives			
	TCorpIM funds			
	[Other categories]			

AASB 13.93(b)	2024			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
	Financial assets at fair value			
	Derivatives			
	TCorpIM funds			
	[Other categories]			
	[The tables above include only financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.]			

AASB 13.93(c) [\[There were no transfers between Level 1 or 2 during the periods.\]](#)

AASB 13.93(d) The value of the TCorpIM Funds is based on the entity's share of the value of the underlying assets of the facility, based on the market value. All of the TCorpIM Funds facilities are valued using 'redemption' pricing.

AASB 13.93(d) [\[For other Level 2 and 3 fair value measurements, a description of the valuation technique\(s\) and inputs used in the fair value measurement. If there has been a change in valuation technique, the entity must disclose that change and reasons for making it.\]](#)

AASB 13.93(d)(g)(h)(i) [\[Additional disclosure requirements for Level 3 measurements including:](#)

- [quantitative information about significant unobservable inputs, where reasonably available](#)
- [a description of the valuation processes used](#)
- [a narrative description of sensitivity to changes in unobservable inputs that may significantly impact on fair value, including a description of interrelationships between those inputs and other unobservable inputs and how the entity might magnify or mitigate the effects of the changes.](#)

[To comply with this disclosure requirement, the narrative description of the sensitivity to changes in unobservable inputs shall include, at a minimum, the unobservable inputs disclosed if significant, the effect of a change to reasonably possible alternative assumptions. How the effect of a change to reflect a reasonably possible alternative assumption was calculated.\]](#)

AASB 13.93(e)

iii. Reconciliation of Level 3 fair value measurements

	[Class/es] \$'000	Total Level 3 \$'000
Opening balance 1 July 2024		
Total gains or losses		
- in net result ('other gains/losses')		
- in other comprehensive income ('other net increases/ decreases in equity')		
Purchases		
Sales		
Issues		
Settlements		
Transfers into Level 3		
Transfers out of Level 3		
[Other categories – specify]		
Closing balance 30 June 2025		
Opening balance 1 July 2023		
Total gains or losses		
- in net result ('other gains/losses')		
- in other comprehensive income ('other net increases/ decreases in equity')		
Purchases		
Sales		
Issues		
Settlements		
Transfers into Level 3		
Transfers out of Level 3		
[Other categories – specify]		
Closing balance 30 June 2024		

AASB 13.93(f)

Of total gains or losses included in the net result, \$X (\$Y in 2024) relates to assets held at the end of the reporting period.

AASB 13.93(e)(iv)

[\[Disclose reasons for transfers into or out of Level 3\].](#)

Commentary on Financial Instruments

Background

AASB 7.7

- The commentary below discusses the AASB 7, AASB 13 and AASB 132 disclosure requirements that are illustrated above in the example note disclosure. Entities should modify or add to NSW Treasury's suggested disclosures to suit their own circumstances, including quantitative disclosures based on information provided internally to the entities' key management personnel. The format of presentation is a decision to be made by each entity. The note is based on those financial instruments that are typically held by General Government Sector entities in the NSW Public Sector.
- AASB 7 requires detailed disclosures to assist users in assessing the nature and extent of risk related to financial instruments and how they are managed. An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance.
- The Standard allows disclosure of the prescribed information in either a separate note, or across existing notes to the financial statements. The suggested disclosures above are based on the core financial instrument information being presented in one note. The disclosures in this note cover the following main areas:
 - categories of financial instruments (AASB 7 para 8)
 - fair value (AASB 7 para 25-30)
 - financial risk management objectives and policies (AASB para 7.31-42)
 - Other AASB 7 disclosures, however, are disclosed across existing notes to the financial statements.
- AASB 13 requires extensive disclosures for assets measured at fair value in the Statement of Financial Position after initial recognition. This includes disclosing the valuation techniques and inputs, and for Level 3, fair value measurements, the effect of the measurements on the net result or other comprehensive income for the period.

Commentary on Financial Instruments

5. Entities should modify or add to NSW Treasury's suggested disclosures below to suit their own circumstances, including quantitative disclosures based on information provided internally to the entities' key management personnel. The format of presentation is a decision to be made by each entity. The note is based on those financial instruments that are typically held by General Government Sector entities in the NSW Public Sector.

Scope of accounting standard for disclosure on financial instruments

AASB 132.11

6. AASB 7 does not apply to the following items as they are not financial instruments as defined in para 11 of AASB 132:

- prepayments made (right to receive future good or service, not cash or a financial asset)
- tax receivables and payables and similar items (statutory rights or obligations, not contractual), or
- contract liabilities (obligation to deliver good or service, not cash or financial liability).

While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 for the purpose of the credit risk disclosures.

AASB 7.5A

Categories of financial instruments

AASB 7.8

7. An entity must disclose the following categories, as defined in AASB 9, either on the face of the Statement of Financial Position or in the notes:

- financial assets measured at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently and (ii) those mandatorily measured at fair value through profit or loss in accordance with AASB 9.
- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income, showing separately (i) financial assets that are measured at fair value through other comprehensive income in accordance with AASB 9; and (ii) investments in equity instruments designated as such upon initial recognition in accordance with AASB 9
- financial liabilities at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently and (ii) those that meet the definition of held for trading in accordance with AASB 9.
- financial liabilities measured at amortised cost.

Reclassification of financial assets

AASB 7.12B

8. If the entity changed its business model during the period which resulted in a reclassification consistent with AASB 9, the entity shall disclose the date of reclassification, a detailed explanation of the change in business model and a qualitative description of its effect on the entity's financial statements and amount reclassified into and out of each category.

AASB 7.12C

9. If the entity reclassified financial assets out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income in accordance with AASB 9, it must make additional disclosures under AASB 7, for each reporting period following reclassification until derecognition. Few entities are expected to be impacted.

AASB 7.12D

10. If the entity has reclassified a financial asset out of the fair value through other comprehensive income category so that they are measured at amortised cost or out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income it must make additional disclosures under AASB 7, including the amount reclassified. Few entities are expected to be impacted.

Capital management objectives

AASB 101.AusCFAus136.2

11. Not-for-profit entities are exempt from the capital management disclosure requirements in AASB 101 para 134-136.

AASB 7.31-42

Nature and extent of risks arising from financial instruments

12. An entity must disclose information to allow users to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the reporting date and how they are managed. These risks include:

AASB 7.App A

- Credit risk; i.e. the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Liquidity risk; i.e. the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.
- Market risk; i.e. the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; i.e. currency risk, interest rate risk and other price risk.

AASB 7.33-35

Qualitative and quantitative disclosures

13. For each type of risk arising from financial instruments, an entity must disclose the exposures to risk and how they arise, its objectives, policies and processes for managing the risk and the methods to measure risk, as well as any changes from the previous period.

Commentary on Financial Instruments

14. For each type of risk, an entity must disclose summary quantitative data about its exposure to that risk at the reporting date, based on the information provided internally to key management personnel of the entity (as defined in AASB 124 *Related Party Disclosures*); for example, the Board or chief executive officer.
15. Entities are also required to disclose the credit risk, liquidity risk and market risk disclosures discussed below, to the extent not already provided (unless the risk is not material) and the concentrations of risk if this is not apparent from the disclosures provided. If the quantitative data disclosed at the reporting date is not representative of the exposure to risk during the period, an entity must provide further information that is representative.
16. To assist in these disclosures, NSW TCorp will provide the following information to entities, where relevant:

AASB 7.20(a)(i)

AASB 7.39

AASB 7.40

- Unrealised gains / losses on derivatives, including commodity swaps, FX forwards and currency options.
- Contractual maturity analysis for entity liabilities payable to TCorp, based on undiscounted cash flows (including fixed / variable loans).
- Sensitivity analysis information for each of the TCorpIM Funds facilities and for derivatives.
- For managed asset and debt clients, additional qualitative disclosures (see extract below) and certain quantitative disclosures.

17. Suggested disclosures for TCorp managed asset and debt clients:

Managed debt portfolios

NSW TCorp manages interest rate risk exposures applicable to specific borrowings of [the entity] in accordance with a debt portfolio mandate agreed between the two parties. TCorp receives a fee for this service. At the reporting date, the carrying value of borrowings and derivatives (net of funds held at call) managed by TCorp stood at \$XX million (2024: \$XX million).

Managed asset portfolios

NSW TCorp manages credit risk and interest rate risk exposures applicable to specific fixed-interest investments of [the entity] in accordance with an asset portfolio mandate agreed between the two parties. For this service TCorp receives a fee based on the dollar value of the portfolio [and a fixed component – if applicable]. The various risks are managed by TCorp within limits stipulated in the portfolio mandate, as summarised below:

- Credit risk – fixed-interest holdings are categorised by the Standard & Poors (S&P) or Moody's credit rating applicable to the underlying securities. The amount of securities held must not exceed the limit for the relevant S&P or Moody's equivalent category. Limits also apply to the amounts that may be held with individual counterparties. To be eligible for investment, counterparties must satisfy minimum credit rating criteria. Monitoring processes ensure that credit rating information is up-to-date and portfolio holdings are maintained within the approved credit limits.
- Interest rate risk – TCorp uses derivatives, primarily interest rate futures, to manage the duration and maturity profile of the portfolio within specified tolerance limits.

At reporting date, the carrying value of securities, derivatives, and funds at call, managed by TCorp stood at \$XX million (2024: \$XX million).

AASB 7.35A-38

Credit risk

AASB 7.35F

18. An entity must disclose its credit risk management practices; information about expected credit losses; credit risk exposures; and collateral and other credit enhancements, including the following:

- how an entity determined whether the credit risk of financial instruments has increased significantly since initial recognition
- definition of default, and reasons for that definition
- how the instruments were grouped, if expected credit losses were measured on a collective basis
- how to determine that financial assets are credit-impaired
- write-off policy, including the indicators that there is no reasonable expectation of recovery, and information about the policy for financial assets that are written off but are still subject to enforcement activity
- the inputs, assumptions and estimation techniques used to apply the impairment requirements in AASB 9
- how forward-looking information has been incorporated into the determination of expected credit losses, including the use of macro-economic information
- changes in the impairment estimation techniques or significant assumptions made during the reporting period, and the reasons for those changes

AASB 7.35G

AASB 7.35I

Commentary on Financial Instruments

AASB 7.35K	<ul style="list-style-type: none"> an explanation of how significant changes in the gross carrying amount of financial instruments during the period contributed to changes in the loss allowance, including origination or acquisition of assets and write-offs by class of financial instrument, the maximum exposure to credit risk, without taking into account collateral or other credit enhancements a description of collateral held as security and other credit enhancements, and their financial effect (e.g. a quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk.
AASB 7.35L	<ul style="list-style-type: none"> contractual amounts outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity
AASB 7.35M	<ul style="list-style-type: none"> maximum risk exposures by credit risk rating grades, the gross carrying amount of financial assets, showing separately those assets which the allowance is measured using the 12 month expected credit losses, those which the allowance is measured based on lifetime expected credit losses or which are credit impaired. This information could be based on a provision matrix (see para B5.5.35 of AASB 9)
AASB 7.38	19. If applicable, when an entity takes possession during the period of collateral or other credit enhancements that meet the recognition criteria, the entity must disclose for such assets held at the reporting date the nature and carrying amount of the assets; and its policies for disposing of such assets or using them in its operations (when not readily convertible to cash).
AASB 9.5.5.15(a) AASB 15.AppA	20. The impairment rules in AASB 9 also apply to contract assets. A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as financial assets that are within the scope of AASB 9.
	Liquidity risk
AASB 7.39	21. An entity must disclose: <ul style="list-style-type: none"> a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts) that shows the remaining contractual maturities; a maturity analysis for derivative financial liabilities, including the remaining contractual maturities for those derivative financial liabilities for which contractual maturities are essential for an understanding of the timing of the cash flows; and a description of how it manages the liquidity risk inherent in the above.
AASB 7.App B10A-B11F	<ul style="list-style-type: none"> As the amounts included in the maturity tables are the contractual undiscounted cash flows, including principal and interest payments, these amounts will not reconcile to the amounts disclosed in the statement of financial position. In particular as far as borrowings or derivative financial instruments are concerned. Entities can choose to add a column with the carrying amounts which ties into the statement of financial position and a reconciling column if they so wish, but this is not mandatory. In preparing this disclosure, an entity shall not separate an embedded derivative from a hybrid (combined) financial instrument.
AASB 7.B11	22. In preparing the maturity analyses, an entity uses its judgement to determine an appropriate number of time bands. For example, an entity might determine that the following time bands are appropriate: <ol style="list-style-type: none"> not later than one month; later than one month and not later than three months; later than three months and not later than one year; and later than one year and not later than five years.
AASB 7.B11C(a)-(c)	23. When a counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the entity can be required to pay the amount. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.
AASB 7.B10A	24. An entity discloses summary information about its exposure to liquidity risk based on information provided internally to key management personnel. An entity shall explain how the information is determined.
AASB 7.B11E	25. An entity shall disclose a maturity analysis of financial assets it holds for managing liquidity risk if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk.
	Market risk
AASB 7.40-42 AASB 7.App B17-B21	26. Unless an entity prepares a sensitivity analysis such as value-at-risk (VaR) that reflects interdependencies between risk variables, an entity must disclose a sensitivity analysis for each type of market risk (e.g. interest rate risk, currency risk or other price risk) to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been

Commentary on Financial Instruments

affected by changes in the relevant risk variable that were reasonably possible at that date. The entity must also disclose the methods and assumptions used in preparing the sensitivity analysis and any changes from the previous period and the reasons for such changes.

27. In determining a reasonably possible change in the relevant risk variable, an entity should consider the economic environment in which it operates (it should not include remote or worst case scenarios or stress tests) and the time frame over which it is making the assessment. The sensitivity analysis must show the effects of changes that are considered to be reasonably possible over the period until its next annual reporting period.

28. Each class of interest bearing financial assets and liabilities should be included in the interest rate sensitivity analysis.

29. The carrying value of a fixed rate interest bearing instrument valued at amortised cost would not be impacted by a change in interest rates and neither would the interest paid/earned. However, the fair value of this instrument would be affected.

Financing arrangements

30. Committed borrowing facilities are a major element of liquidity management. Entities should therefore consider providing information about their undrawn facilities. AASB 107 also recommends disclosure of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities.

AASB 107.50(a)
AASB 7.39(c)

Fair value

AASB 7.25, 29

31. An entity must disclose for each class of financial assets and liabilities, the fair value of that class compared to its carrying amount, except:

- when the carrying amount is a reasonable approximation of fair value i.e. short-term trade receivables and payables
- for a contract containing a discretionary participation feature (as described in AASB 4) if the fair value of that feature cannot be measured reliably
- for lease liabilities.

AASB 13.91

32. Where financial instruments are measured at fair value in the Statement of Financial Position after initial recognition, an entity must disclose information to help users assess the valuation techniques, inputs and for level 3 measurements, the effect on the profit/loss or other comprehensive income.

AASB 13.92

33. In making disclosures, the entity must consider the level of detail necessary, the emphasis on each of the requirements, the level of aggregation and whether users need additional information to evaluate the quantitative information. Where disclosures provided in accordance with the Accounting Standards are insufficient to help users' assessments, additional information must be disclosed.

AASB 13.93, 97

34. To help users make their assessments, AASB 13 sets out the minimum disclosures required for each class of assets and liabilities measured at fair value in the Statement of Financial Position after initial recognition – refer AASB 13.93(a) to (i). In addition, certain disclosures are also required for assets and liabilities not measured at fair value in the Statement of Financial Position but for which the fair value is disclosed (AASB 13.97).

AASB 13.93(a)

35. The illustrative disclosure provided in Note 36 assumes that all fair value disclosures of financial instruments are 'recurring' fair value measurements under AASB 13.

AASB 13.94

36. An entity needs to determine appropriate classes on the basis of nature, characteristics and risks of the asset and level of the fair value hierarchy. The number of classes may need to be greater for level 3 valuations as measurements have a greater degree of uncertainty and subjectivity. A single class may include valuations at different levels of the fair value hierarchy, but an entity may need to further disaggregate if different categories indicate the assets are different in nature, characteristics or risks.

AASB 13.95

37. An entity must disclose and consistently follow the policy for determining transfers between levels in hierarchy and must apply the same policy for transfers in and transfers out of levels.

AASB 13.99

38. An entity must present quantitative disclosure in a table unless another format is more appropriate.

AASB 7.28

39. In respect of any 'day one' gains or losses, the entity must disclose by class of financial asset or financial liability the:

- accounting policy for recognising that difference in profit or loss to reflect a change in factors that market participants would consider when pricing,
- aggregate difference yet to be recognised in profit or loss at the beginning and end of the period and a reconciliation of changes in the balance of this difference, and
- why the entity concluded the transaction price was not the best evidence of fair value, including a description of the evidence that supports the fair value.

Offsetting financial assets and financial liabilities

Commentary on Financial Instruments

AASB 7.13A-13F	40. Additional disclosures are required for all recognised financial instruments set off in accordance with AASB 132.42. These disclosures also apply to recognised financial instruments subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with AASB 132.42. Refer AASB 7.13A-13F for details of disclosure requirements.
Transfer of financial assets	
AASB 7.42A-42H	41. Separate note disclosure is required for transferred financial assets that are: <ul style="list-style-type: none"> not derecognised in their entirety and derecognised in their entirety but the entity has continuing involvement in the transferred financial assets

37. Related Party Disclosures

AASB 124.17	The entity's key management personnel compensation are as follows: Short-term employee benefits:	2025 \$'000	2024 \$'000
	Salaries		
	Other monetary allowances		
	Non-monetary benefits		
	Other long-term employee benefits		
	Post-employment benefits		
	Termination benefits		
	Total remuneration		

AASB 124.18, 19 The entity entered into transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof. The aggregate value of the material transactions and related outstanding balances are as follows:

AASB 124.18, 21		2025 \$'000	2024 \$'000
		Transaction value	Net receivable/ (payable)
	Sales of goods		
	Purchases of goods		
	Services received		

[Refer to AASB 124.21 for further examples of categories of transactions that could be disclosed]

[Also to be disclosed in respect of the outstanding balances, including comparatives, are details (if material) of any guarantees given or received, provisions/write-off of doubtful debts etc.]

AASB 124.26	The entity entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the entity's sale of goods/ rendering of services/ receiving of services [refer to AASB 124.21 for more transaction categories].
AASB 124.18A	During the year, the entity incurred \$xx million (2024: \$xx million) in respect of the key management personnel services that are provided by a separate management entity [name of the entity].

Commentary on related party disclosures**Key management personnel compensation**

AASB 124.9	1. Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
AASB 124.17 TPG23-16	2. Compensation is aggregated by the following categories: (a) short-term employee benefits (b) post-employment benefits (c) other long-term benefits and (d) termination benefits. Each of

Commentary on related party disclosures

these four categories may be disaggregated by position of KMP e.g. Secretary, Deputy Secretary, Board of Directors (executive / non-executive), Other Senior executives etc.

AASB 124.9

3. Compensation includes:
 - Short-term employee benefits including wages, salaries, social security contributions, paid annual leave and paid sick leave, allowances, profit-sharing or bonuses (if payable within twelve months of the end of the financial year) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services);
 - Other long-term employee benefits (benefits other than short-term, termination or post-employment benefits), such as long service leave or sabbatical leave, jubilee or other long service benefits, long-term disability benefits and, if not payable wholly within twelve months of the end of the financial year, profit-sharing, bonuses and deferred compensation; and
 - Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance, and post-employment medical care.
4. If an entity provides non-monetary benefits to Ministers, they should calculate the monetary value of such benefits and disclose them as 'non-monetary benefits' under 'short-term employee benefits' as part of KMP compensation disclosure.

Management entity

AASB 124.17A

5. In situations where a reporting entity obtains KMP services from another entity ('management entity'), the reporting entity is not required to disclose KMP compensation paid or payable by the management entity.

AASB 124.18A

Instead, where the reporting entity reimburses the management entity for KMP services provided, the reporting entity must disclose the name of the management entity and amounts paid/payable to the management entity for such KMP services.

AASB 124.IG8

If the reporting entity does not reimburse the management entity for KMP services provided, then no disclosure is required in the reporting entity. An example of a management entity is NSW Legislature that pays Ministerial compensation. No disclosure is required by relevant agencies as they are not obliged to reimburse NSW Legislature.

AASB 124.18, 19
TPG23-16**Related party transactions**

6. The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by preparers of financial statements. This includes the extent to which related party items of a similar nature can be disclosed in aggregate.
7. Therefore, it is important to understand that the disclosures in the following examples could vary depending on the circumstances of the entity making the disclosures and factors such as the nature of the transactions, the relationships and materiality.

8. Disclosure Example 1:

The following arm's length transactions have been identified as material for disclosure in the financial statements of Government agency 'XYZ' for FY 2025:

A controlled entity of the daughter of the CEO entered in to a cleaning contract with XYZ to provide cleaning services for the office buildings. During the year, services of \$1.5 million were rendered and a payable of \$0.2 million remained outstanding in the books of XYZ at the year end.

Mrs. A, wife of the CFO, provided consultancy services of \$1 million during the year to XYZ, which was fully settled before the year end.

The CEO and CFO are assessed to be KMP of XYZ.

The following would be the likely disclosure in XYZ's financial statements:

"During the year, XYZ entered in to transactions on arm's length terms and conditions with the close family members and controlled entities of key management personnel. The total expense for services received was \$2.5 million, of which \$0.2 million was payable as at the reporting date."

If deemed material, similar disclosure will be made in the financial statements of the General Government and Total State Sector.

9. Disclosure Example 2:

The following arm's length transactions have been identified as material for disclosure in the financial statements of Government agency 'ABC' for FY 2025:

ABC sold \$5 million worth of goods during the year to the jointly controlled entity of the son of the CEO, of which \$0.5 million was receivable at the year end.

ABC purchased office equipment worth \$1 million during the year from the controlled entity of the daughter of the Executive Director, of which \$0.2 million was payable as at the year end.

Mrs. Y, wife of the CFO, provided consultancy services of \$1 million during the year to ABC, which was fully settled before the year end.

Commentary on related party disclosures

A controlled entity of the COO provided legal services of \$1.5 million during the year to ABC, of which \$0.2 million was payable as at year end.

The CEO, Executive Director, CFO and COO are assessed to be KMP of ABC.

The following would be the likely disclosure in ABC's financial statements:

During the year, the entity entered in to transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof. The aggregate value of the transactions and outstanding balances are as follows:

Nature of transaction	Transaction \$'000	value	Net receivable / (payable) as at	
			30 June	2025
Sales of goods	5,000		500	
Purchases of goods	1,000		(200)	
Services received	2,500		(200)	

If deemed material, similar disclosure will be made in the financial statements of the General Government and Total State Sector.

Government-related entities

10. Government-related entities are those that are controlled or jointly controlled or significantly influenced by the NSW Government. The nature and amount of each individually significant transaction must be disclosed.

AASB 124.26

Treasury Mandates

For transactions with government-related entities that are collectively, but not individually, significant, agencies must provide a qualitative description.

38. Events after the Reporting Period

AASB 110

[Disclose details of events after the reporting period as required by AASB 110]

Commentary on events after the reporting period

AASB 110.19-20

1. AASB 110 *Events after the Reporting Period* requires disclosure of certain information for material non-adjusting events, including the nature of the event and an estimate of its financial effect or a statement that such an estimate cannot be made.
2. If an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it must update disclosures that relate to these conditions, in the light of the new information.

End of audited financial statements

Appendices

TAB	Document Name	Location
A	<u>Definitions</u>	Attachment
B	<u>Key references and acronyms</u>	Attachment
C	<u>Current Treasury Circulars / Policy and Guidelines Papers on accounting policy matters</u>	Attachment
D	<u>Main changes in the Financial Reporting Code for NSW General Government Sector Entities (TPG25-03) compared to the previous version TPG24-05</u>	Attachment
E	<u>Frequently Asked Questions - Appropriations</u>	Attachment
F	<u>Proforma disclosure on parliamentary appropriations</u>	Attachment
G	<u>Guidance for determining whether accounting policy information is material</u>	Attachment

Appendix A Definitions

Term	Definition
Administered activities	Activities that give rise to income and expenses which are not attributable to the entity. The entity may also manage government assets in the capacity of an agent and may incur liabilities which may involve a future disbursement from the Consolidated Fund but which do not involve a sacrifice of the assets that the entity controls. These administered income, expenses, assets and liabilities should not be recognised in the entity's Statement of Comprehensive Income or Statement of Financial Position.
Reporting GSF Agency	An entity that meets that definition in section 7.3 of the <i>Government Sector Finance Act 2018</i> .
General Government Sector	Those public sector entities which provide, in the main, goods and services outside the market mechanism, as well as providing for the transfer of income for public policy purposes – in accordance with Australian Bureau of Statistics classification. The major form of financing these goods and services is by taxation, imposed by the State or by the Commonwealth and subsequently passed on to the State.
Infrastructure systems	Assets that comprise public facilities and which provide essential services and enhance the productive capacity of the economy including roads, bridges, water infrastructure and distribution works, sewerage treatment plants, seawalls and water reticulation systems.
Restricted assets	Assets whose use by the entity is limited by externally imposed restrictions.
Taxes, fees and fines	Compulsory levies which are not directly related to the specific provision of goods or services provided by the entity.
Transfer payments	<p>A concept described as “amounts to be transferred to third parties or recoupment of such amounts previously transferred by the government department” in AASB 1050.18.</p> <p>Transfer payments are often considered as administered, although they are not necessarily always administered. According to AASB 1050.19, it “depends on whether the government department controls the assets to be transferred”. AASB 1050.23 also acknowledges that judgment is needed in determining whether transfer payments are controlled or administered, e.g. when the responsible entity can exercise significant discretion in determining the amount or timing of payment, the identity of beneficiaries and the conditions under which the payments are to be made.</p> <p>Therefore, the assessment criteria of controlled and administered items in TPP21-03 also apply to transfer payments. An entity can still ‘control’ a transfer payment, if both of the control criteria in TPP21-03 are met.</p>
User charges	Revenues of the entity, which result from the voluntary acquisition by the purchaser of particular goods or services of direct benefit to the purchaser.

Appendix B Key references and acronyms

Acronym/ Reference	Explanation
AASB	Australian Accounting Standards Board
Climate Guidance	Guidance on how to reflect the effects of climate-related matters in financial statements
Framework	Framework for the Preparation and Presentation of Financial Statements (AASB Framework)
FRC	Financial Reporting Code for General Government Sector Entities
Interpretation	Australian Accounting Interpretation
TC	NSW Treasury Circular
GSF Act	Government Sector Finance Act 2018
TCorp	NSW Treasury Corporation
TPG	Treasury Policy and Guidelines
TPP	NSW Treasury Policy and Guidelines Paper
Treasury Mandates	<i>Treasury Policy and Guidelines Mandates of Options and Major Policy Decisions under Australian Accounting Standards</i>

Appendix C Current Treasurer's Directions, Treasury Circulars, Policy and Guidelines Papers on accounting policy matters

The NSW Treasury accounting policies issued as Treasurer's Directions, Treasury Circulars and Treasury Policy and Guidelines Papers currently in force (at date of publication) are listed below. In addition, entities are required to comply with all future NSW Treasury Circulars and policies on accounting policy matters, where the circular/policy paper specifically indicates that it will be mandatory.

Title	Treasury Document No
Valuation of Physical Non-Current Assets at Fair Value	TD 21-05
Valuation of Physical Non-Current Assets at Fair Value	TPP 21-09
Accounting for Long Service Leave and Annual Leave	TPG 24-23
Mandates of Options and Major Policy Decisions under Australian Accounting Standards	TPG 25-02
Financial and Annual Reporting requirements arising from personnel service arrangements	TC 15-07
Financial reporting requirements for NSW Government entities including those affected by restructures	TC 15-05
Accounting for Superannuation	TC 18-10
Lessor classification of long-term land leases	TPP 21-06
Administered items	TPP 21-03
Capital Structure and Financial Distribution Policy for Government Businesses	TPG 21-10
Contributions by owners made to wholly-owned Public Sector Entities	TPP 21-08
Accounting for Financial Instruments	TPP 21-10
Guidelines for Capitalisation of Expenditure on Property, Plant and Equipment	TPP 06-06
Distinguishing For-Profit from Not-For-Profit entities	TPP 21-07
Financial Reporting Requirements - (to be published in 2025)	TD 25-XX
Agency Direction for the 2024-25 Mandatory Annual Returns to Treasury	TPG 25-01
Related Party Disclosures	TPG 23-16
AASB 16 Leases - Subsequent Measurement of ROUA	TC 20-02
Accounting Policy - Public Sector Operators in a Service Concession Arrangement	TC 20-04

Title	Treasury Document No
Financial Statements Disclosures for Machinery of Government Changes	TC 19-06
Timetable for Agency Asset Valuations	TC 21-11
Determining the present value of a provision	TPG 23-21
CFO Certification on the Internal Control Framework over Financial Systems and Information	TPG 24-08
Guidance on the estimating a provision for paid parental leave entitlements	
Guidance on how to reflect the effects of climate-related matters in financial statements	
Capitalisation of costs relating to Cloud-based Software	
Accounting Impacts of 2021 Covid-19 restrictions on Construction Projects	

Appendix D Main changes in the Financial Reporting Code for NSW General Government Sector Entities (TPG25-03) compared to the previous version TPG24-05

TPG25-03 Financial Reporting Code for NSW General Government Sector Entities (the Code) has been updated for changes in AAS and Treasury policy requirements.

- The disaggregated disclosures requirements for 2024-25 are subject to confirmation. Treasury will issue communications either advising the existing requirements remain unchanged or outlining any changes to requirements, once confirmed.
- Minor amendments were made to Australian Accounting Standards, these changes have been reflected in the relevant note disclosures and commentary. These changes are not considered to be material.
- Prompts have been added where agencies could consider reducing accounting policy information that is not material, in accordance with amendments to AASB 101 *Presentation of Financial Statements*.

Appendix E Frequently Asked Questions - Appropriations

Application scope of appropriations disclosure

Disclosure of appropriations applies to all NSW government entities that derive part or all their spending authority from parliamentary appropriations, including:

- Lead Departments and Special Offices which receive parliamentary appropriations via the Annual appropriations acts. This includes agencies receiving funding distributions from Principal Departments
- Lead Departments, portfolio agencies and Special Offices which receive authority to spend via deemed appropriations in the GSF Act; and
- Any other agencies which receive special or standing appropriations under any act other than the annual appropriations acts or the GSF Act.

Please refer to sections below for details.

In NSW, lead ministers are responsible for ensuring that expenditure does not exceed appropriations limits for the services of lead departments, special offices or other purposes specified in the *Appropriations Act*. Therefore, lead departments and special offices specified in the annual *Appropriations Act* are required to disclose appropriation related information both in the form of Summary of Compliance in Note 3 and qualitative information (refer to Appendix F) in their financial statements, while other portfolio agencies are only expected to disclose qualitative information about appropriations.

The authority conferred by parliamentary appropriations is to spend money from the Consolidated Fund. Therefore, some State Owned Corporations (SOC) may find appropriations disclosure is not applicable because monies held by them may not form part of the Consolidated Fund. The same may also apply to some non-SOC entities that hold all their money in a non Consolidated Fund account, e.g. special deposit account.

Whether monies held by SOCs or non-SOC entities form part of the Consolidated Fund depends on the specific context in which moneys are collected and held by each entity and require a detailed understanding of the operations of each entity and legal structure. Legal advice on the specific circumstances of each agency should be sought from the portfolio legal team who normally provide legal advice to the agency and who have a more detailed knowledge of the operations and circumstances of each agency, and legal framework under which the agency is established. Treasury recommend that agencies first request advice from the principal department's legal team, who will then reach out to the Crown Solicitor or Treasury Legal team if needed.

Appropriations

What is an appropriation?

Money must not be paid out of the Consolidated Fund except for under the authority of an Act (see section 4.6 of the GSF Act). Statutory authority to expend money from the Consolidated Fund is conferred by appropriations.

Legally, an appropriation is not a withdrawal of money from the Consolidated Fund. It is instead an authority conferred by Parliament for the withdrawal of money from the Consolidated Fund. Its fundamental purposes are to both:

- authorise government expenditure from an overall pool of public money, and, at the same time
- limit that expenditure to particular purposes and in particular amounts.

Appropriations for the ordinary annual services of government are made through the annual *Appropriations Act*.

It is evident that the legal meaning of appropriations is not the same as "appropriations revenue" recognised in the financial statements. The latter is equal to the amount lead departments have drawn down from Treasury's Con Fund bank account that it controls for accounting purposes.

What is the effect of the appropriations limit/authority unused at year end?

Under section 4.8 of the GSF Act, an “unused appropriation” for an annual reporting period for the NSW Government is the part of an appropriation out of the Consolidated Fund that has not been applied by the end of the period. Every unused appropriation for an annual reporting period for the NSW Government lapses and ceases to have effect for any purpose at the end of that period, except for deemed appropriations (which do not lapse, unless regulations made under the GSF Act provide differently).

Can an agency expend unspent ConFund money from the preceding years under the appropriations authority for the current year?

Yes.

The authority conferred by an appropriation (whether via an annual Appropriations Act or deemed appropriations or another Act) is not specific to any particular monies forming part of the Consolidated Fund. The circumstances in which a particular amount of Consolidated Fund money was deposited in an agency’s bank account do not affect its ability to rely on an authority to spend that money.

Provided the money forms part of the Consolidated Fund, it can be spent under the authority of a current appropriation, irrespective of when the money was received.

Accordingly, an agency can rely on the authority conferred by an annual appropriation for a given financial year to expend Consolidated Fund money in its bank account that was received in a preceding financial year. That is, provided the expenditure is within the monetary limits and for the purposes specified by the appropriation in question.

For agencies receiving appropriations for a specified purpose, if the total amount of spending for the specified purpose is below the authorised limit, are they allowed to use the “surplus” authority on items beyond the specified purpose?

No.

According to TC 12-10 *Protected Items and Funds*, the general principle is that any under-expenditure of protected items is not available for reallocation in an agency to another purpose or across agencies in a portfolio. The unused spending authority cannot be used for purposes other than the specified purpose.

The unused spending authority will then form part of “appropriations lapsed at 30 June” in the summary of compliance. In such circumstances, entities should make sure that “variance” is higher than “appropriations lapsed at 30 June”; otherwise, it indicates the entity has exceeded the spending limit of the year.

Deemed Appropriations

What are deemed appropriations?

Under section 4.7(1) of the GSF Act, the lead Minister for a GSF agency is taken to have been given an appropriation (a “deemed appropriation”) out of the Consolidated Fund at the time the agency receives or recovers “deemed appropriation money”. The amount of the deemed appropriation is equivalent to the amount of deemed appropriation money received, or recovered.

A deemed appropriation is taken to have been given —

- (a) if the receiving GSF agency is a special office — for the services of the receiving GSF agency, or
- (b) otherwise — for the services of the lead Department for the GSF agency.

“Deemed appropriation money” is defined in section 4.7(3) as

- (a) government money that a GSF agency receives or recovers, including from the Commonwealth or another entity of a kind prescribed by the regulations, that —
 - (i) forms part of the Consolidated Fund, and
 - (ii) is not appropriated under the authority of an Act, or
- (b) government money that a GSF agency receives or recovers, from another GSF agency, of a kind prescribed by the regulations, that —
 - (i) forms part of the Consolidated Fund, and
 - (ii) is appropriated under the authority of an Act to the lead Minister for the other GSF agency for —

- (A) if the other GSF agency is a special office – the services of the other GSF agency, or
- (B) otherwise – the services of the lead Department for the other GSF agency.

Deemed appropriations is government money of a kind prescribed by the regulations for the purposes of the definition of “deemed appropriation money”; the kinds of money that can be deemed appropriation money are currently prescribed in clause 13 of the GSF Regulation.

According to s4.7(5) of the GSF Act, deemed appropriations excludes state taxation or fines, royalty for the mining, extraction or capture of a natural resource, and general purpose Commonwealth grants. The effect of section 4.8 of the GSF Act is that a deemed appropriation does not lapse at the end of that period unless the regulations provide differently.

It should be noted that deemed appropriations is not a line item to be presented on the face of an entity’s statement of comprehensive income. The disclosure of deemed appropriations does not affect the presentation and the accounting treatment of the related revenue items which give rise to deemed appropriations money. For example, revenue from provision of services that gives rise to deemed appropriations money is still presented/included in the line item of sale of goods and services in the agency’s main financial statements, and recognised based on the progress of services provided.

Are funding distributions from Department deemed appropriations money for portfolio agencies?

No, with the exception for special offices.

Funding distributions from Department are a means by which cash is distributed to agencies to enable the exercise of the expenditure authority, that is conferred on a Minister by the annual Appropriation Act, and which has in turn been devolved to the portfolio agency through the process of delegation and sub-delegation. In this sense, it is money that has already been appropriated to the Minister for that financial year for the services of the lead department through the appropriation process.

Therefore, a funding distribution from a Department does not normally constitute deemed appropriation money for portfolio agency recipients. The exception to this is where the portfolio agency recipient is a special office that receives direct appropriations from the lead Minister for the services of the special office itself.

Is money held in an account in the Special Deposits Account (an SDA account) deemed appropriations money?

No.

SDA accounts comprise money that is held outside of the Consolidated Fund. Money paid into an SDA account is therefore not capable of being deemed appropriation money under section 4.7 of the GSF Act.

When money from the Consolidated Fund is put into an SDA account, operationally money is transferred to the agency holding the SDA account. Legally, on receipt, the legal effect is that the money is no longer held as part of the Consolidated Fund as SDA accounts sit outside the Consolidated Fund.

On the other end, if an agency receives money from an SDA account (i.e. the money has left the SDA account), the recipient agency should assess whether the money received meets the criteria of deemed appropriations as stated in the section above.

How to calculate the additions of deemed appropriations during the financial year?

Agencies should ensure identified deemed appropriations money meets the definition in section 4.7(3) of the GSF Act and excluded those items under section 4.7(5).

Clause 34 of the GSF Regulations has a list of items prescribed to be deemed appropriation money.

The agency can use either the direct method or indirect method to calculate the inflows of deemed appropriations. However, the indirect method as below to derive deemed appropriations is probably more practical:

Additions of deemed appropriations = Total receipts per the Statement of Cash Flows *minus*

- (a) the amount of drawn down under the authority of the Appropriations Act and variations to appropriations, if applicable, for the year, or most agencies’ funding distributions from Department

(refer to section “Are funding distributions from Department deemed appropriations money for portfolio agencies?” above)

- (b) amounts not received into the Consolidated Fund, such as inflows to SDA accounts
- (c) the items that are not deemed appropriations as specified in the GSF Act (such as those under section 4.7(5) of the GSF Act)
- (d) cash inflows from financing activities
- (e) cash inflows from sale/disposals of assets other than “minor asset”. Please note that clause 13 (1)(c) of the GSF Regulation allows the money from proceeds of a sale or other disposal by the GSF agency of a minor asset to be deemed appropriations money. A minor asset is defined in clause 34(6) of the Regulation as an asset with an acquisition of less than \$200k and does not include a customer good or a building (or an interest in land or a building).

As a reasonableness check of the summary of compliance, entities should make sure that “deemed appropriations balance carried forward to following years” is no more than the sum of “Deemed appropriations received during the year” and “Deemed appropriations balance brought forward from prior years”.

A step-by-step mathematical guidance of deemed appropriations for the lead Minister level assessment

Deemed appropriations of the year includes:

- External Counterparty (ECP) receipts into ConFund of the type listed in clause 13(1) of the GSF Regulation
- Internal Counterparty (ICP) receipts into ConFund from entities in another portfolio, of the type listed in clause 13(1) of the GSF Regulation
- ICP receipts into ConFund from SDAs or other non-ConFund accounts, of itself or entities in the same portfolio, of the type listed in clause 13(1) of the GSF Regulation
- ICP receipts into ConFund from special offices in the same portfolio, of the type listed in clause 13(1) of the GSF Regulation
- ICP receipts into ConFund from entities in the same portfolio that do not hold ConFund money, of the type listed in clause 13(1) of the GSF Regulation

of all entities covered by the assessment.

Alternatively (a simplified version), this includes:

All ECP and ICP receipts into ConFund of the type listed in clause 13(1) of the GSF Regulation, minus ICP receipts from ConFund accounts held by entities in the same portfolio that is not a special office. (please note receipts of the listed types from the entity's own SDA accounts are also "deemed appropriations")

In practice, for receipts of the type listed in clause 13(1) of the GSF Regulation into their ConFund account, entities need to:

Step 1: find out whether there are receipts from entities in the same portfolio

Step 2: for entities identified in Step 1, filter out special offices and entities that do not hold any ConFund money

Step 3: for the remaining entities identified from Step 2, filter out the receipts from their SDA accounts or other non-ConFund accounts. The remaining receipts are those that need to be deducted from the total receipts (ECP +ICP) in calculating deemed appropriations.

Step4: Remember to include receipts from the entity's own SDA account or other non-ConFund account

Expenditure in the summary of compliance

Should the expenditure disclosed in relation to appropriations be on cash basis or accrual basis?

The disclosure of expenditure against appropriations is based on related cash flows, instead of the expenses recognised under accrual basis accounting.

Does expenditure against appropriations include repayment of borrowings?

Yes, unless the borrowings were pursuant to specific legislation or went into an SDA account (i.e. were outside of the Consolidated Fund).

Does expenditure against appropriations include cash flows for acquisition of PP&E?

Yes.

When to disclose the “hypothecated” amount as the expenditure incurred for an SDA account?

Where an appropriation is specifically made to a Minister for payment into an SDA, and there is a legislation stating that the entire appropriated amount should be paid into the SDA, the entire amount appropriated for payment into the SDA is considered "hypothecated" to the SDA Account immediately. This means the entire amount is withdrawn from Consolidated Fund and paid into the SDA Account immediately (regardless of whether cash is transferred to the relevant administering agency).

In that instance, the relevant entity must include an amount appropriated to a Minister for payment into an SDA in the Parliamentary Appropriations, and include an equal amount in the expenditure line item, to reflect that the amount has been “hypothecated” into the SDA Account.

For example, according to section 11 of *Regional Development Act 2004*, “all money appropriated by Parliament, or for the purposes this Act” is payable into the Regional Development Trust Fund.

Section 16 of *NSW Appropriations Act 2024* appropriates the sum of \$100,000,000 to the Minister for Regional New South Wales out of the Consolidated Fund for payment into the Regional Development Trust Fund established under the *Regional Development Act 2004*.

In the disclosure for the Regional Development Trust Fund, the hypothecated amount of \$100,000,000 should be disclosed. The entire authority is considered utilised in the year, even if the actual amount of cash injection into the Fund is less than that amount.

How to disclose ConFund money transfers into an SDA account under circumstances other than “hypothecated”?

In comparison with appropriations specifically made to an SDA as described in the section above, very often amounts budgeted for SDAs are included in the lumpsum of annual appropriations given to a lead department.

Under that circumstance, ConFund money transfers into an SDA account would be “expenditure” for the purposes of the summary of compliance, given money, if originally in the Consolidated Fund, is considered to have left the Consolidated Fund when depositing into an SDA account.

A step-by-step mathematical guidance of expenditure for the lead Minister level assessment

Total expenditure includes:

- all ECP payments out of ConFund
- all ICP payments out of ConFund to entities in a different portfolio
- all ICP payments out of ConFund to a special office in the same portfolio
- ICP payments out of ConFund to entities in the same portfolio that do not hold ConFund money
- payments out of ConFund into SDA accounts of, the entity itself, or entities in the same portfolio

of all entities covered by the assessment.

This excludes:

- ECP or ICP payments out of SDAs (money in SDAs is not ConFund money) held by the entity itself

Alternatively (a simplified version), this includes:

• All ECP and ICP payments out of ConFund, minus ICP payments to ConFund accounts held by an entity in the same portfolio that is not a special office. (Please note a payment from an entity’s ConFund bank account to its own SDA account is also an "expenditure").

In practice, to calculate expenditure, entities need to:

Step 1: find out whether there are payments to entities in the same portfolio

Step 2: for entities identified in Step 1, filter out special offices and entities that do not hold any ConFund money

Step 3: for the remaining entities identified from Step 2, filter out the payments to their SDA accounts or other non-ConFund accounts. The remaining payments are those that need to be deducted from the total payments (ECP +ICP) in calculating expenditure for the purpose of summary of compliance.

Step 4: Remember to include payments to the entity's own SDA account or other non-ConFund account.

Is the assumption still relevant that expenditure is first applied against lapsing appropriations before deemed appropriations?

This assumption is not relevant when calculating the variance between total spending authority and total expenditure in relation to parliamentary appropriations in the summary of compliance. However, it should be applied when calculating the spending authority from appropriations lapsed at 30 June, and the deemed appropriations balance carried forward.

Appendix F Proforma disclosure on parliamentary appropriations

The proforma disclosure does not cover special appropriations or standing appropriations. Departments and agencies receiving special and/or standing appropriations should add the relevant information (source, amount and purpose of the appropriations, expenditure incurred, compliance status) using the similar format of the proforma disclosure.

Lead departments

The *Appropriation Act 2024 (Appropriations Act)* (and the subsequent variations, if applicable) appropriates the sum of [\$XX] to the Minister for [XX] out of the Consolidated Fund for the services of [name of lead department] for the year 2024–25. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of the [name of lead department] and entities that it is administratively responsible for, including:

- xx
- xx [list all entities covered by the summary of compliance]

The lead Minister for each entity above, being the Minister for [XX], is taken to have been given an appropriation out of the Consolidated Fund under the authority of section 4.7 of the GSF Act, at the time the entity receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the entity. These deemed appropriations are taken to have been given for the services of [name of lead department].

[the lead department needs to verify this assertion] The delegation/sub-delegations for FY24/25 and FY23/24, authorising officers of the [name of lead department] to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but do not specify an aggregate expenditure limit for the [name of lead department]. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation/sub-delegations are subject to the overall authority of the [name of lead Department] to spend monies appropriated under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the *Appropriations Act* and other sources is disclosed in the summary of compliance table above.

The summary of compliance has been prepared by aggregating the spending authorities of the Minister for [XX] for the services of [name of lead department]. It reflects the status at the point in time this disclosure statement is being made.

[delete if not applicable] The summary of compliance does not include appropriations for [the name of special office in the portfolio that receives separate appropriations] and its expenditure. This is because a separate amount has been appropriated for its services under the *Appropriations Act*. [delete if not applicable] However, the summary of compliance includes [\$XX grant payments/payment for services] to [the name of special office] in “total expenditure out of ConFund”.

Note: The lead department will need to liaise with Treasury to determine appropriate disclosure where the summary of compliance indicates there has been an over-spend.

Special offices

The *Appropriation Act 2024 (Appropriations Act)* (and the subsequent variations, if applicable) appropriates the sum of [\$XX] to the Minister for [XX] out of the Consolidated Fund for the services of [name of the special office] for the year 2024–25.

The lead Minister for the [name of the special office], being the Minister for [XX], is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the [name of the special office] receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the [name of the special office]. These deemed appropriations are taken to have been given for the services of [name of the special office].

The spending authority of the Minister for [XX] for the services of the special office, from the *Appropriations Act* and deemed appropriation money, has been delegated/sub-delegated to officers of the [name of the special office].

The summary of compliance has been prepared by aggregating the spending authorities for the services of the [name of the special office]. It reflects the status at the point in time this disclosure statement is being made.

Note: The special office will need to liaise with Treasury to determine appropriate disclosure where the summary of compliance indicates there has been an over-spend.

Portfolio agencies whose delegations/sub-delegations do not impose an overall spending limit specific to the entity – Without Machinery of Government (MoG) change

The *Appropriation Act 2024 (Appropriations Act)* (and the subsequent variations, if applicable) appropriates the sum of [\$XX] to the Minister for [XX] out of the Consolidated Fund for the services of [name of the lead department] for the year 2024–25. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of [name of the lead department] and entities that it is administratively responsible for, including [name of entity].

The lead Minister for [name of entity], being the Minister for [XX], is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time [name of entity] receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by [name of entity]. These deemed appropriations are taken to have been given for the services of [name of lead department].

A summary of compliance is disclosed in the financial statements of the Annual Report of [name of the lead department]. It has been prepared by aggregating the spending authorities of the Minister for [XX] for the services of [name of the lead department]. It reflects the status at the point in time this disclosure statement is being made. [name of entity]'s spending authority and expenditure is included in the summary of compliance.

[the entity needs to verify this assertion] The delegation/sub-delegations for FY24/25 and FY23/24, authorising officers of the [name of entity] to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of the [name of entity]. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation/sub-delegations are subject to the overall authority of the [name of lead department] to spend monies under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the *Appropriations Act* and other sources is disclosed in the summary of compliance table included in the financial statements of the Annual Report of [name of the lead department].

Portfolio agencies whose delegations/sub-delegations do not impose an overall spending limit specific to the entity – applicable to portfolio agencies that have been moved to a different portfolio as a result of MoG change during the financial year

[name of the responsible lead department prior to the MoG change] was administratively responsible for [name of entity] up to [the date before the MoG change]. From [the effective date of the MoG change], [name of the responsible lead department after the MoG change] is administratively responsible for [name of entity] as a result of a Machinery of Government (MoG) change.

The *Appropriation Act 2024 (Appropriations Act)* and the subsequent variations appropriates the sum of [\$XX] to the Minister for [XX] out of the Consolidated Fund for the services of [name of the responsible lead department prior to the MoG change], and [\$XX] to the Minister for [XX] out of the Consolidated Fund for the services of [name of the responsible lead department after the MoG change], for the year 2024–25. The spending authority of the Ministers from the *Appropriations Act* has been delegated or subdelegated to officers of [name of the responsible lead department prior to the MoG change], [name of the responsible lead department after the MoG change] and entities that they are administratively responsible for, including [name of entity].

A summary of compliance is disclosed in the financial statements of the Annual Report of [name of the responsible lead department prior to the MoG change] and [name of the responsible lead department after the MoG change]. It has been prepared by calculating the separate spending authorities of the Minister for [XX] and the Minister for [XX] for the services of each respective lead department. It reflects the status at the point in time this disclosure statement is being made. [name of entity]'s spending authority and expenditure prior to the MoG change is included in the summary of compliance of [name of the responsible lead department prior to the MoG change], and after the MoG change in the summary of compliance of [name of the responsible lead department after the MoG change].

[the entity needs to verify this assertion] The delegation/sub-delegations for FY24/25 and FY23/24, authorising officers of the [name of entity] to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of the [name of entity]. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation/sub-delegations are subject to the overall authority of the [name of lead department] to spend monies appropriated under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the limit from the *Appropriations Act* and other sources is disclosed in the summary of compliance tables included in the financial statements of the Annual Report of [name of the responsible lead department prior to the MoG change] and [name of the responsible lead department after the MoG change].

Portfolio agencies whose delegations/sub-delegations impose an overall spending limit – without MoG change

The *Appropriation Act 2024 (Appropriations Act)* (and the subsequent variations, if applicable) appropriates the sum of [\$XX] to the Minister for [XX] out of the Consolidated Fund for the services of [name of the lead department] for the year 2024–25. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of [name of the lead department] and entities that it is administratively responsible for, including [name of entity].

The lead Minister for [name of entity], being the Minister for [XX], is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time [name of entity] receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by [name of entity]. These deemed appropriations are taken to have been given for the services of [name of lead department].

A summary of compliance is disclosed in the financial statements of the Annual Report of [name of the lead department]. It has been prepared by aggregating the spending authorities of the Minister for [XX] for the services of [name of the lead department]. It reflects the status at the point in time this disclosure statement is being made. [name of entity]'s spending authority and expenditure is included in the summary of compliance.

[the entity needs to verify this assertion] The delegation/sub-delegations authorising officers of the [name of entity] to spend Consolidated Fund money impose an overall spending limit of [\$XX] (2024: \$xx). Total expenditure incurred is [\$XX] (2024: \$XX). The variance of [\$XX] is mainly due to [XX].

Portfolio agencies whose delegations/sub-delegations impose an overall spending limit – applicable to portfolio agencies that have been moved to a different portfolio as a result of MoG change during the financial year

[name of the responsible lead department prior to the MoG change] was administratively responsible for [name of entity] up to [the date before the MoG change]. From [the effective date of the MoG change], [name of the responsible lead department after the MoG change] is administratively responsible for [name of entity] as a result of a Machinery of Government (MoG) change.

The *Appropriation Act 2024 (Appropriations Act)* and the subsequent variations appropriates the sum of [\$XX] to the Minister for [XX] out of the Consolidated Fund for the services of [name of the responsible lead department prior to the MoG change], and [\$XX] to the Minister for [XX] out of the Consolidated Fund for the services of [name of the responsible lead department after the MoG change], for the year 2024–25. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of [name of the responsible lead department prior to the MoG change], [name of the responsible lead department after the MoG change] and entities that they are administratively responsible for, including [name of entity].

The lead Ministers for [name of entity], being the [title of the Minister prior to MoG] before the MoG changes and the [title of the Minister after MoG] on and from the MoG changes, are taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time [name of entity] receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by [name of entity]. These deemed appropriations are taken to have been given for the services of [name of lead department prior to the MoG change] before the MoG changes and [name of responsible lead Department after the MoG change] on and from the MoG changes.

A summary of compliance is disclosed in the financial statements of the Annual Report of [name of the responsible lead department prior to the MoG change] and [name of the responsible lead department after the MoG change]. It has been prepared by calculating the separate spending authorities of the Minister for [XX] and the Minister for [XX] for the services of each respective lead department. It reflects the status at the point in time this disclosure statement is being made. [name of entity]'s spending authority and expenditure prior to the MoG change is included in the summary of compliance of [name of the responsible lead department prior to the MoG change], and after the MoG change in the summary of compliance of [name of the responsible lead department after the MoG change].

[the entity needs to verify this assertion] The delegation/sub-delegations authorising officers of the [name of entity] to spend Consolidated Fund money impose an overall spending limit of [\$XX] (2024: \$xx). Total expenditure incurred is [\$XX] (2024: \$XX). The variance of [\$XX] is mainly due to [XX].

Appendix G Guidance for determining whether accounting policy information is material

Summary

AASB 101 *Presentation of Financial Statements* has been amended to require entities to disclose their material accounting policy information rather than their significant accounting policies. The effective date of the amendment is for accounting periods beginning on or after 1 January 2023.

This amendment is expected to lead to a reduction of immaterial accounting policy information being disclosed by agencies.

What has changed?

Paragraph 117 of AASB 101 has been amended. The main change is that entities are now required to disclose their “material accounting policy information” instead of their “significant accounting policies.”

Original AASB 101 Extract	Amended AASB 101 Extract
<p>117 An entity shall disclose its <u>significant accounting policies</u> comprising:</p> <ol style="list-style-type: none"> the measurement basis (or bases) used in preparing the financial statements; and the other accounting policies used that are relevant to an understanding of the financial statements. 	<p>117 An entity shall disclose <u>material accounting policy information</u> (see paragraph 7). Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.</p>

Para 117A-E have been added to provide additional guidance in determining material accounting policy information.

How to determine if accounting policy information is material

The flowchart in Figure 1 summarises the process of determining whether accounting policy information is material. Example A and B provide examples of assessment.

In assessing whether accounting policy information is material to its financial statements, an entity considers whether users of the entity’s financial statements would need that information to understand other material information in the financial statements (AASB 101.117B).

Paragraph 117B of AASB 101 states that accounting policy information is likely to be material if it relates to material transactions, other events or conditions **and**:

- The entity has changed its accounting policy during the year, or
- The entity chose the accounting policy from one or more options permitted by Australian Accounting Standards, or
- The accounting policy was developed in accordance with AASB 108 in the absence of an Australia Accounting Standard that specifically applies, or
- The entity is required to make significant judgements or assumptions in applying the accounting policy, or
- The accounting required is complex and the users of the financial statements would otherwise not understand those material transactions, other events or conditions.
- Accounting policy information that focuses on how an entity has applied the requirements of the Australian Accounting Standards to its own circumstances provides entity-specific information that is more useful to users of financial statements than standardised information, or information that only duplicates or summarises the requirements of Australia Accounting Standards (AASB 101.117C).

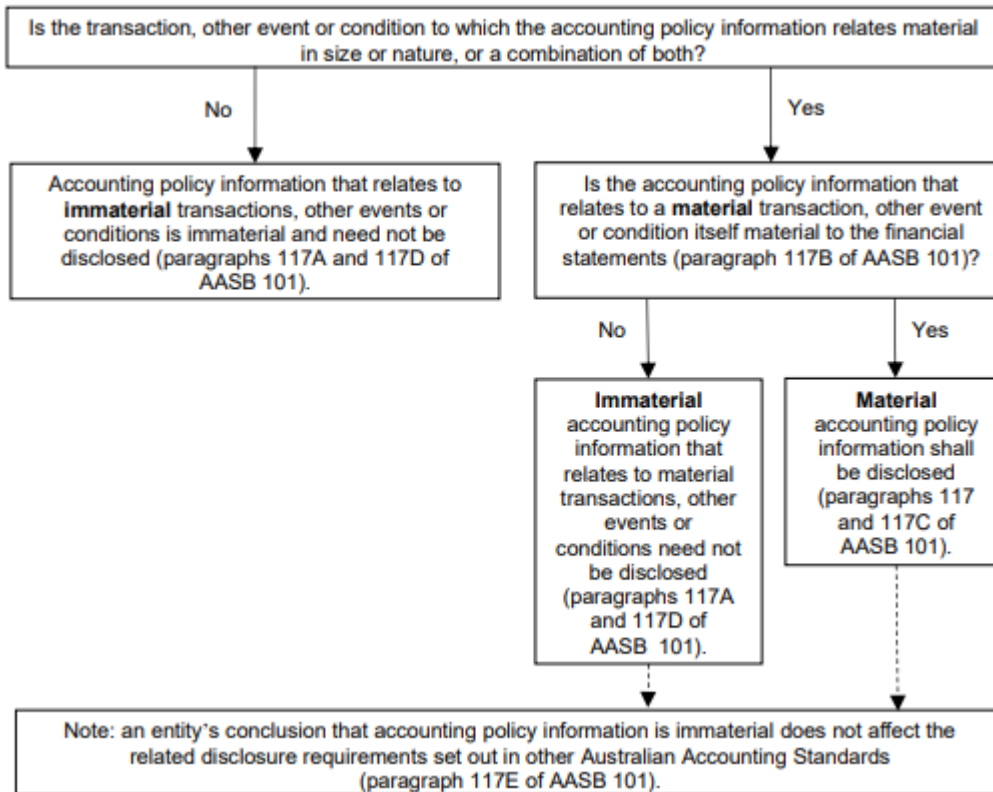


Figure 1: Flow chart – Determining whether accounting policy information is material

Source: AASB Practice Statement 2: Making Material Judgements

Financial Reporting Code (FRC) and Accounting Policy Disclosures

The FRC provides a model financial reporting framework which promotes consistency across the NSW General Government Sector (GGS). The FRC is published annually together with the TPG for Mandates of Options. While the TPG for Mandates of options is a mandatory policy, the use of FRC is recommended.

In the FRC issued for the 2024-25 financial year, Treasury has added prompts to assist agencies to identify immaterial accounting policy disclosures that can be removed. Agencies are still required to perform their own assessments of the materiality of their accounting policy information disclosures based on their own specific circumstances.

Recommendations
<p>1. Identify immaterial transactions, events and other conditions in their financial statements and remove the related accounting policy information: Where transactions, events and other conditions are immaterial in both size and nature, agencies are encouraged to remove related accounting policy information.</p>
<p>2. Assess the material accounting policy information for material transactions events and other conditions: Not all accounting policy information related to material transactions events and other conditions is material. If the accounting policy has been consistently applied across all financial years, simply states the general requirements of a relevant Australian Accounting Standard (without an accounting policy choice) and relates to an area where the accounting is not considered complex and no significant judgments or assumptions are required, the accounting policy information is likely immaterial to the users of the financial statements.</p>
<p>3. Agree the changes to accounting policy information disclosures with your audit team: Agencies should agree with their audit teams on the materiality of accounting policy information and the disclosures to be removed. We encourage these discussions to take place during the audit planning phase. Agencies are required to prepare accounting policy information as part of early close procedures. Agencies should ensure that only material accounting policy information is presented.</p>

Please note an entity’s conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other Australian Accounting Standards (AASB 101.117E)

For any questions in determining the materiality of accounting policy information, please contact Accounting Policy Accpol@treasury.nsw.gov.au

Example A - Making materiality judgements and focusing on entity-specific information while avoiding standardised (boilerplate) accounting policy information

Source: *AASB Practice Statement 2: Making Material Judgements*

Background

An entity operates within the telecommunications industry. It has entered into contracts with retail customers to deliver mobile phone handsets and data services. In a typical contract, the entity provides a customer with a handset and data services over three years. The entity applies AASB 15 *Revenue from Contracts with Customers* and recognises revenue when, or as, the entity satisfies its performance obligations in line with the terms of the contract.

The entity has identified two performance obligations and related considerations:

- a. the handset – the customer makes monthly payments for the handset over three years; and
- b. data – the customer pays a fixed monthly charge to use a specified monthly amount of data over three years.

For the handset, the entity concludes that it should recognise revenue when it satisfies the performance obligation (when it provides the handset to the customer). For the provision of data, the entity concludes that it should recognise revenue as it satisfies the performance obligation (as the entity provides data services to the customer over the three-year life of the contract).

The entity notes that, in accounting for revenue it has made judgements about:

- a. the allocation of the transaction price to the performance obligations; and
- b. the timing of satisfaction of the performance obligations.

The entity has concluded that revenue generated from these contracts is material to the reporting period.

Application

The entity notes that for contracts of this type it applies separate accounting policies for two sources of revenue, namely revenue from:

- a. the sale of handsets; and
- b. the provision of data services.

Having identified revenue from contracts of this type as material to the financial statements, the entity assesses whether accounting policy information for revenue from these contracts is, in fact, material.

The entity evaluates the effect of disclosing the accounting policy information by considering the presence of qualitative factors. The entity noted that its revenue recognition accounting policies:

- a. were unchanged during the reporting period;
- b. were not chosen from accounting policy options available in the Australian Accounting Standards;
- c. were not developed in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors in the absence of an Australian Accounting Standard that specifically applies; and
- d. are not so complex that primary users will be unable to understand the related revenue transactions without standardised descriptions of the requirements of AASB 15.

However, some of the entity's revenue recognition accounting policies relate to an area for which the entity has made significant judgements in applying its accounting policies – for example, in deciding how to allocate the transaction price to the performance obligations, and the timing of revenue recognition.

The entity considers that, in addition to disclosing the information required by paragraphs 123–126 of AASB 15 about the significant judgements made in applying AASB 15, primary users of its financial statements are likely to need to understand related accounting policy information. Consequently, the entity concludes that such accounting policy information could reasonably be expected to influence the decisions of the primary users of its financial statements. For example, understanding:

Example A - Making materiality judgements and focusing on entity-specific information while avoiding standardised (boilerplate) accounting policy information

Source: *AASB Practice Statement 2: Making Material Judgements*

- a. how the entity allocates the transaction price to its performance obligations is likely to help users understand how each component of the transaction contributes to the entity's revenue and cash flows; and
- b. that some revenue is recognised at a point in time and some is recognised over time is likely to help users understand how reported cash flows relate to revenue.

The entity also notes that the judgements it made are specific to the entity. Consequently, material accounting policy information would include information about how the entity has applied the requirements of AASB 15 to its specific circumstances. The entity, therefore, assesses that accounting policy information about revenue recognition is material and should be disclosed. Such disclosure would include information about how the entity allocates the transaction price to its performance obligations and when the entity recognises revenue.

Example B - Making materiality judgements on accounting policy information that only duplicates requirements in the Australian Accounting Standards

Source: *AASB Practice Statement 2: Making Material Judgements*

Background

Property, plant and equipment are material to an entity's financial statements.

The entity has no intangible assets or goodwill and has not recognised an impairment loss on its property, plant or equipment in either the current or comparative reporting periods.

In previous reporting periods, the entity disclosed accounting policy information relating to impairment of non-current assets which duplicates the requirements of AASB 136 Impairment of Assets and provides no entity-specific information. The entity disclosed that:

The carrying amounts of the group's intangible assets and its property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangibles with an indefinite useful life, the recoverable amount is estimated at least annually.

An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of assets is the greater of their fair value less costs to sell and their value in use. In measuring value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to that cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. An impairment loss in respect of goodwill is not subsequently reversed. For other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the new carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Application

Having identified assets subject to impairment testing as being material to the financial statements, the entity assesses whether the accounting policy information for impairment is, in fact, material.

As part of its assessment, the entity considers that an impairment or a reversal of an impairment had not occurred in the current or comparative reporting periods. Consequently, accounting policy information about how the entity recognises and allocates impairment losses is unlikely to be material to its primary users.

Example B - Making materiality judgements on accounting policy information that only duplicates requirements in the Australian Accounting Standards

Source: *AASB Practice Statement 2: Making Material Judgements*

Similarly, because the entity has no intangible assets or goodwill, information about its accounting policy for impairments of intangible assets and goodwill is unlikely to provide its primary users with material information.

However, the entity's impairment accounting policy relates to an area for which the entity is required to make significant judgements or assumptions, as described in paragraphs 122 and 125 of AASB 101. Given the entity's specific circumstances, it concludes that information about its significant judgements and assumptions related to its impairment assessments could reasonably be expected to influence the decisions of the primary users of the entity's financial statements. The entity notes that its disclosures about significant judgements and assumptions already include information about the significant judgements and assumptions used in its impairment assessments.

The entity decides that the primary users of its financial statements would be unlikely to need to understand the recognition and measurement requirements of AASB 136 to understand related information in the financial statements.

Consequently, the entity concludes that disclosing a summary of the requirements in AASB 136 in a separate accounting policy for impairment would not provide information that could reasonably be expected to influence decisions made by the primary users of its financial statements. Instead, the entity discloses material accounting policy information related to the significant judgements and assumptions the entity has applied in its impairment assessments elsewhere in the financial statements. Although the entity assesses some accounting policy information for impairments of assets as immaterial, the entity still assesses whether other disclosure requirements of AASB 136 provide material information that should be disclosed.

52 Martin Place
Sydney NSW 2000

GPO Box 5469
Sydney NSW 2001

W: treasury.nsw.gov.au

This publication is protected by copyright. With the exception of (a) any coat of arms, logo, trade mark or other branding; (b) any third party intellectual property; and (c) personal information such as photographs of people, this publication is licensed under the Creative Commons Attribution 3.0 Australia Licence.

The licence terms are available at the Creative Commons website at:
creativecommons.org/licenses/by/3.0/au/legalcode

NSW Treasury requires that it be attributed as creator of the licensed material in the following manner: © State of New South Wales (NSW Treasury), (2025).