

Annual Report 2025–26

Chief Minister, Treasury and
Economic Development
Directorate | [Volume 2.1](#)



The ACT Government acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

The Chief Minister, Treasury and Economic Development Directorate acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

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Freedom of Information

Requests should be directed to:
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via CMTEDD's Freedom of Information
webpage: <https://www.cmtedd.act.gov.au/functions/foi>

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<https://www.act.gov.au/open/chief-minister-treasury-and-economic-development-directorate-annual-reports>

Summary of volumes

The 2025-26 CMTEDD Annual Report has two volumes.

Volume 1

Contains all transmittal certificates and organisational overview and performance reporting for CMTEDD and all public sector bodies required to have their annual report annexed to the CMTEDD Annual Report. Each entity's reporting includes, where relevant:

Organisational overview	Internal audit	Aboriginal and Torres Strait Islander reporting	Work health and safety
Performance analysis	Fraud prevention	<i>Multiculturalism Act 2023</i> reporting	Human resources management
Scrutiny	Freedom of information	<i>Disability Inclusion Act 2024</i> reporting	Ecological sustainability reporting
Risk management	Community engagement and support	<i>Period Product (Access) Act</i> reporting	Reporting by exception and annual report requirements for specific reporting entities

Volume 1 includes Annexed Reports of the following entities:

ACT Executive	Default Insurance Fund	Lifetime Care and Support Fund	Office of the Nominal Defendant of the ACT
ACT Government Procurement Board	Director of Territory Records	Motor Accident Injuries Commission	Public Sector Workers Compensation Fund

Volumes 2.1 and 2.2

Volume 2.1 contains all financial management reporting sections for the entities below, including where relevant the following sections:

Chief Minister, Treasury and Economic Development Directorate	Territory Banking Account	Superannuation Provision Account
Financial management analysis (management discussion and analysis)	Capital works	Government contracting
Financial statements	Asset management	Statement of performance

Volume 2.2 contains all financial management reporting sections (where relevant, as per the above) for:

ACT Executive	Lifetime Care and Support Fund	Office of the Nominal Defendant of the ACT
Default Insurance Fund	Motor Accident Injuries Commission	Public Sector Workers Compensation Fund

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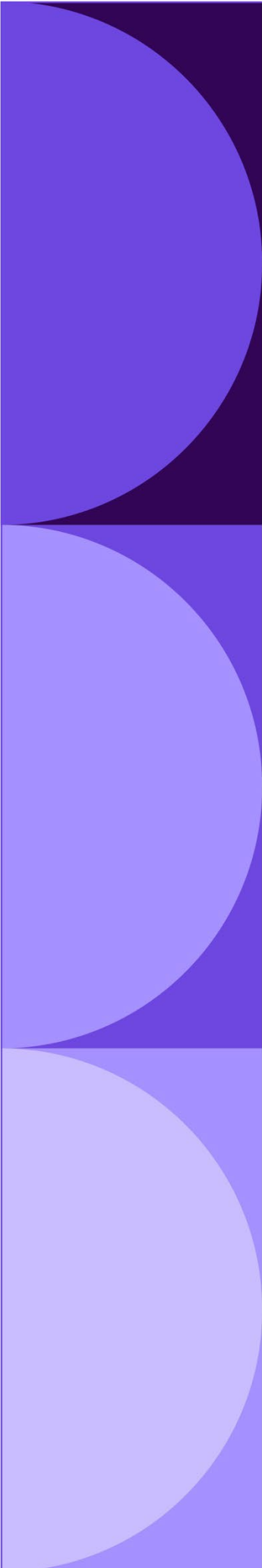
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Financial Management Reporting

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

**Territory Banking Account
Superannuation Provision
Account**



Chief Minister, Treasury and Economic Development Directorate

Management Discussion and Analysis

Chief Minister, Treasury and Economic Development Directorate for the Year Ended 30 June 2026

General Overview

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) leads the ACT Public Service (ACTPS).

We work collaboratively within government and with the community to deliver government priorities and drive initiatives aimed at making Canberra a better place to live. CMTEDD also leads the strategic direction of the ACTPS to ensure it is well positioned to shape and respond to change, and to continue to deliver against government priorities, now and in the future.

As a central agency, CMTEDD:

- supports the Chief Minister, the CMTEDD's ministers and the Cabinet by providing informed, holistic and innovative advice;
- provides support and direction across the ACTPS on Cabinet and Assembly business, policy and strategy;
- leads the ongoing development of the ACTPS, including advising on the structure of the ACTPS, ACT public sector employment legislation and conditions, industrial relations, diversity and inclusion, human resource management and driving capability across the ACTPS to deliver on our Closing the Gap commitment;
- drives diversification in our knowledge-based economy and growth in our visitor economy, enhancing our reputation as a global destination in collaboration with business, tertiary education institutions as well as community and industry partners;
- provides strategic financial and economic advice to the ACT Government to improve the Territory's financial position and economic management, and advocate for Commonwealth funding through the Federal Financial Relations System;
- administers the ACT tax laws and manage the assessment and collection of ACT taxes;
- supports public sector health and productivity by providing effective injury prevention and management services and infrastructure;
- supports government through the provision of financial, human resources, insurance, infrastructure and procurement advisory services;
- keeps the Canberra community well informed of government policies, programs and services through the provision of clear, accessible communication;
- provides meaningful opportunities for Canberrans to inform government decision making, including the development of government policies, programs and services; and
- ensure the Canberra community well informed in times of a Territory emergency through the whole of government Public Information Coordination Centre.

Financial Performance

For commercial organisations, the Operating Result in their Financial Statements are often used as the key indicator of financial performance over the year. For government entities, however, this measure is less meaningful, as recognised income is largely determined by the timing of cash drawdowns from the Territory Bank Account. Accordingly, a prudent cash management approach, including drawing down funds only when required, may reduce income recognised and lead to lower operating results.

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) considers net cost of services as a more appropriate measure of financial performance. It facilitates the assessment of the full cost of resources consumed in delivering the services of CMTEDD and the extent to which these costs are offset by revenue through independent sources. This provides a clearer representation of the cost to the Territory and the call on the Territory's overall financial resources.

Financial information is based on audited Financial Statements for 2025-26 and 2024-25, in addition to the forward estimates contained in the 2026-27 Budget Statements.

Administrative Arrangements 2025 (No.1) which came into effect on 1 July 2025 have resulted in the following transfers which are the primary drivers of variation between the financial performance of 2025-26 and 2024-25:

- Transfer out of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR);
- Transfer out of Access Canberra and Better Regulation Taskforce to the City and Environment Directorate (CED);
- Transfer out of the Office of LGBTIQA+ to the Health and Community Services Directorate (HCSD); and
- Transfer in of ACT Heritage Library from the former Transport Canberra and City Services.

In addition, *Administrative Arrangements 2025 (No.2)* came into effect from 1 January 2026 which resulted in the transfer of Affordable and Community Housing Policy function to the City and Environment Directorate.

Following the budget transfers which resulted from the above changes to Administrative Arrangements during the year and other policy decisions introduced as part of 2025-26 Budget Review, a revised outlook described as the Estimated Outcome for 2025-26 was published in the most recent budget statements for CMTEDD.

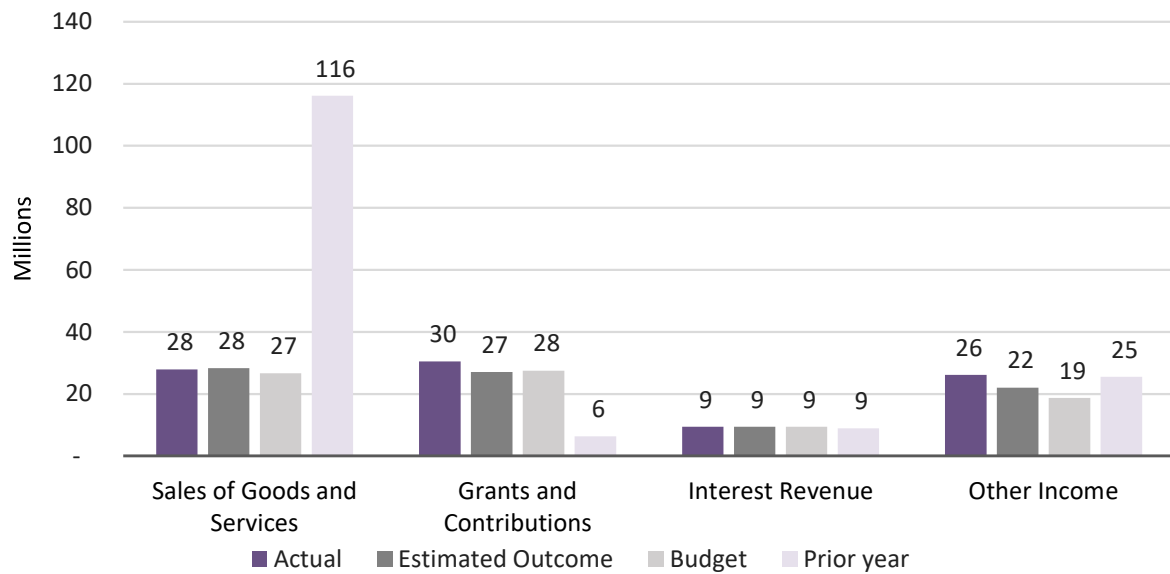
Net cost of services for 2025-26 was \$337.2 million compared to the Original Budget of \$445.9 million.

Table 1: Net Cost of Services

	Actual 2026 \$'000	Original Budget 2026 \$'000	Estimated Outcome 2026 \$'000	Actual 2025 \$'000
Total Income (excluding Controlled Recurrent Payments)	93,986	82,341	86,813	156,923
Total Expenditure	431,230	528,266	443,331	801,050
Net Cost of Services	(337,244)	(445,925)	(356,518)	(644,127)

Income

Figure 1: Key Income Categories



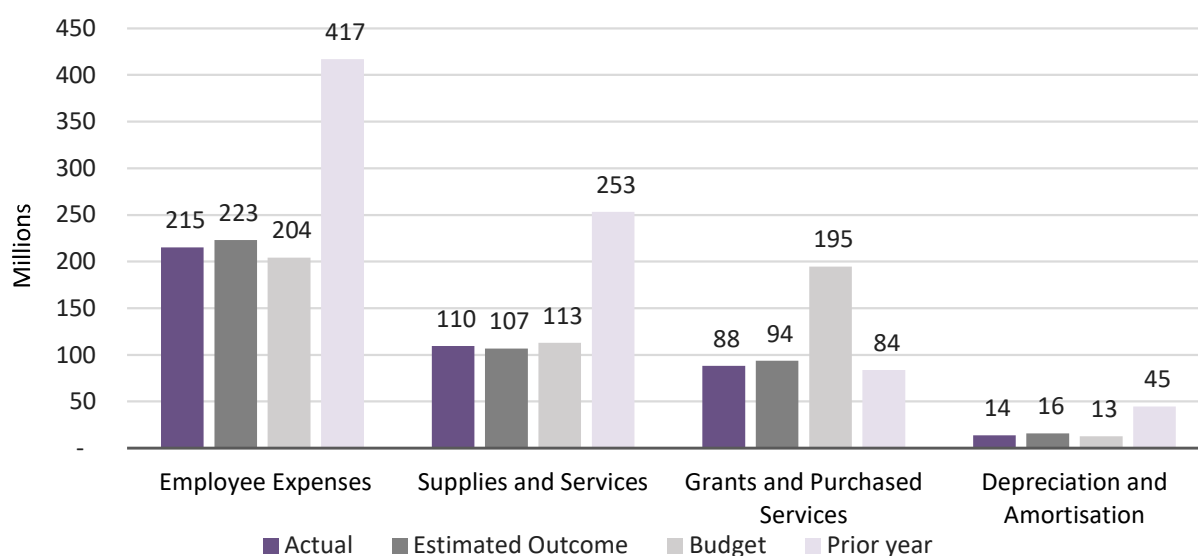
The primary sources of revenue for CMTEDD were cost recoveries relating to procurement, rehabilitation and injury management, records management, human resources and finance services provided to ACT Government agencies, as well as income from a range of entertainment services provided to citizens including supporting annual tourism attractions and the hosting of national and local sporting events. The decrease in sales of goods and services compared with the prior year reflects the transfer of responsibility for ICT services to DCBR and operational and ACT Government shopfront services to CED.

Expenditure

The transfer of DDTS to DCBR and Access Canberra, together with the transfer of responsibility for affordable and community housing policy to the CED, has resulted in lower current year expenditure when compared to prior year actuals. Expenditure is also lower than Original Budget, largely driven by underspends in grants expenditure resulting from policy changes on financial assistance to increase affordable housing supply, the transfer of functions to another directorate, and lower demand for skills related grants.

Figure 2 summarises key expenditure categories.

Figure 2: Key Expenditure Categories



Following the implementation of the Administrative Arrangements, CMTEDD's workforce now comprises approximately 1,500 staff and employee expenses account for 50 percent of total expenditure. The decrease in employee expenses compared to prior year result is primarily due to the transfer of DDTS to DCBR and Access Canberra to CED.

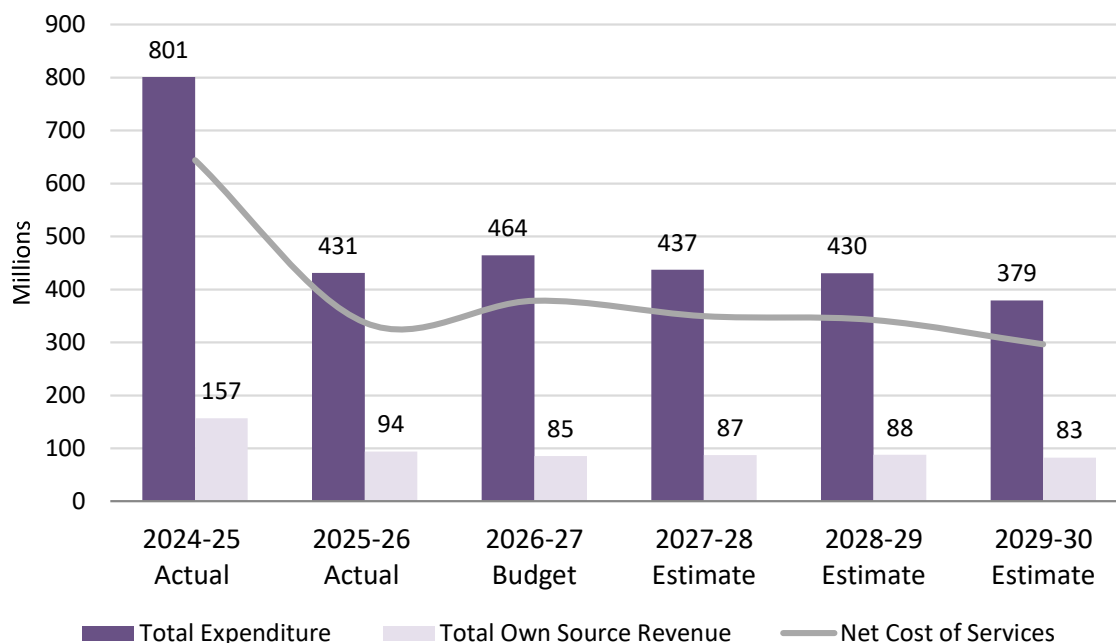
Supplies and Services accounted for 25 percent of total expenditure. Similarly, the decrease in this category in 2025–26 compared with the prior year reflects the impact of the transfer under the Administrative Arrangements.

CMTEDD administers several grant programs which support skills development, business and innovation and provides funding for a number of arts and sporting programs and community-based organisations. The majority of skilled based grants are payable upon registered participants completing required courses and as student completion times vary, associated funding must be reviewed and realigned each year to match anticipated student completion timeframes. As such, the unspent funding associated with these grants has been reprofiled into 2026–27.

Outlook

The level of activity for CMTEDD is expected to remain broadly consistent over the forward estimates, with a modest decline over time as set out in Figure 3. The decline in Net Cost of Services in 2025-26 compared to 2024-25 reflects the impact of the transfer of functions outlined above.

Figure 3: Net Cost of Services, Including Future Trends



Financial Position

Table 2: Net Assets/(Liabilities)

	Actual 2026 \$'000	Original Budget 2026 \$'000	Estimated Outcome 2025 \$'000	Actual 2025 \$'000
Total Assets	561.8	716.7	569.7	729.6
Total Liabilities	99.7	105.1	139.1	195.5
Net Assets	462.1	611.6	430.6	534.0

Total Assets at 30 June 2026 mainly consists of Property, Plant and Equipment (57 percent), Receivables (26 percent), Cash (12 percent). Liabilities include provisions for employee entitlements including Annual Leave and Long Service Leave. Total Liabilities at 30 June 2026 mainly consists of Employee Benefits (74 percent) and Payables (19 percent).

The decrease in Net Assets from the 2024-25 result is mainly due to the transfer of Access Canberra to CED and DDTs to DCBR resulting from changes to Administrative Arrangements as discussed previously. The movement from original budgeted amount to estimated outcome for 2025-26 is mainly due to adjustments made to align the budget with the actual asset base, following the Administrative Arrangements.

Territorial Financial Performance

CMTEDD collects the majority of General Government Sector (GGS) revenue through its Territorial accounts on behalf of the ACT Government. This mainly includes taxes, licences, fees, fines, Commonwealth Government grants and dividend revenue. The revenue collected is transferred to the Territory Banking Account (TBA) and is not retained in CMTEDD.

CMTEDD is also responsible for payments on behalf of the Territory associated with a range of concession schemes covering household utility expenses, transportation, spectacles and funeral expenses along with grant programs. Payment for Expenses on Behalf of the Territory funding is received as income to cover these payments.

The Territory through the 2024-25 budget, established a new venture capital initiative 'the ACTivate Capital Fund' to support the growth of Canberra based start-ups, foster innovation, and generate a financial return to the Territory. A total capital commitment of \$10.1 million has been made by the Territory, with fund-related transactions commencing from the 2025-26 financial year, total cash payment funding by capital injection in 2025-26 is \$0.3 million. Fund operations have been outsourced to an independent external fund manager.

Following the Administrative Arrangements effective from 1 July 2025, Access Canberra Territorial was transferred from CMTEDD Territorial to the City and Environment Directorate (CED) Territorial. Accordingly, territorial revenue collected under these functions, together with associated transfer payments to Government and certain directly attributable territorial expenses, are recognised in CED Territorial's financial statements. Significant revenue streams include motor vehicle registration fees, driver licence fees, infringement and parking fines, water abstraction charges, notices of intention fees, land title fees and other regulatory charges.

Consistent with the ACT Government financial reporting framework, employee and operating costs incurred in administering these functions are transferred from CMTEDD Controlled to CED Controlled.

Territorial Operating Result

The Territorial Operating Result is generally expected to be breakeven as income is remitted to the TBA as it is earned. The exception to this is losses or gains on sale of land held under the Land Rent Scheme and timing differences between receiving appropriation and making payment for grants and community service obligations which contribute to the Operating Result. These impacts are generally minor and represent a fraction of a percentage of total income and expenditure. The Territorial Operating Result for 2025-26 is outlined below.

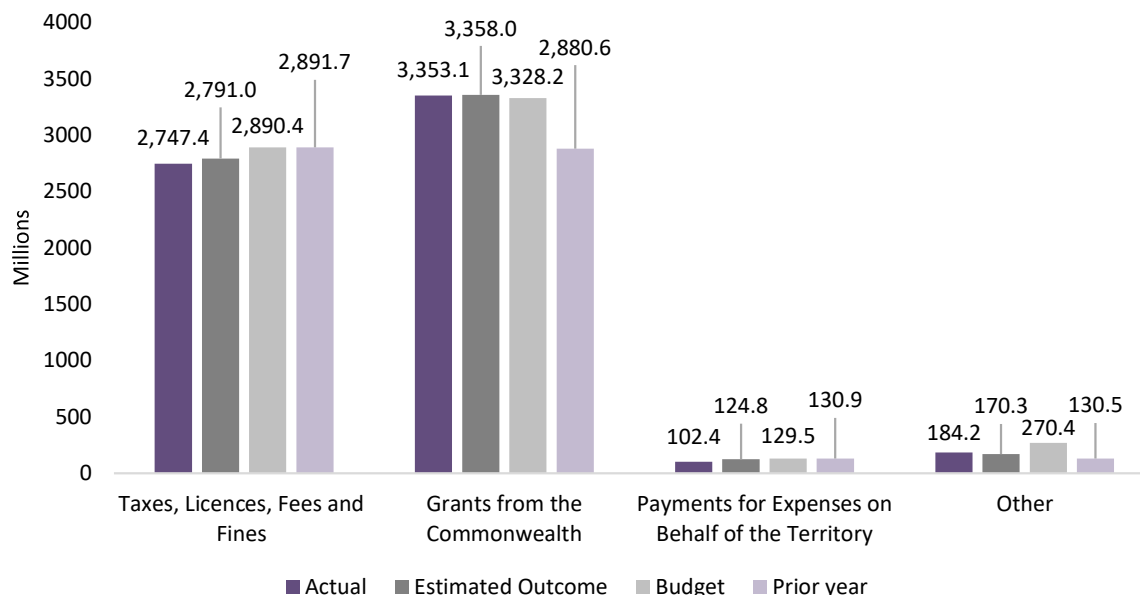
Table 3: Territorial Operating Result

	Actual 2026 \$m	Original Budget 2026 \$m	Estimated Outcome 2026 \$m	Actual 2025 \$m
Total Income	6,387.1	6,618.4	6,444.0	6,033.6
Total Expenditure	6,391.4	6,614.0	6,446.0	6,033.5
Territorial Operating Result	(4.3)	4.4	(1.9)	0.1

Income

Territorial income for 2025-26 was **\$231.3 million** lower than the original budget of **\$6618.4 million** and **\$353.5 million** higher than the 2024-25 total income of **\$6033.6 million**.

Figure 4: Key Income Categories - Territorial



Total income for 2025-26 was lower than the original budget, primarily reflecting lower payroll tax, general rates and dividend revenue than anticipated. The general rates variance was mainly attributable to a reduction in the Health Levy rate, while lower dividend revenue reflected reduced distributions from relevant Territory entities, consistent with their operating result. Grants from the Commonwealth for road projects were also below budget, reflecting changes in the timing and delivery milestones of the Athllon Drive Duplication, Molonglo East-West Arterial planning, Molonglo River Bridge, Monaro Highway Upgrade and the William Hovell Drive Duplication. These decreases were partially offset by higher Income Tax Equivalent revenue and non-road capital grants, with the latter primarily reflecting the recognition of grant revenue linked to delivery milestones for the Light Rail Stage 2A project.

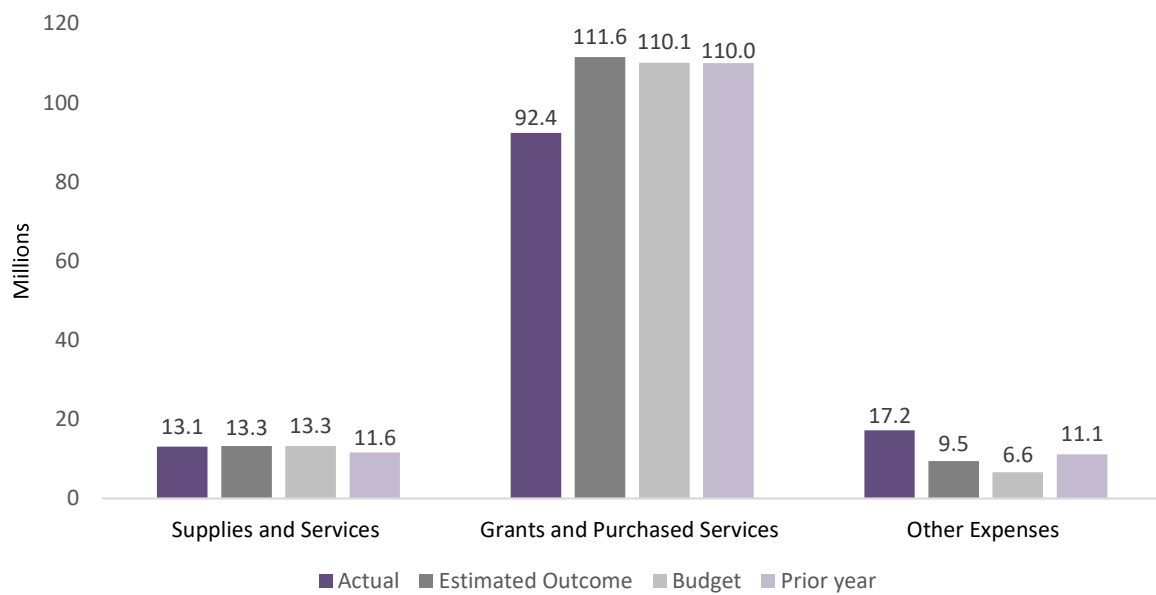
The increase in total income compared with 2024-25 was primarily due to higher GST revenue, reflecting growth in the national GST pool and the Territory's updated population share, and higher non-road capital grants, mainly reflecting grant revenue linked to delivery milestones for the Light Rail Stage 2A project. Income Tax Equivalent and dividend revenue were also higher, consistent with improved operating results of relevant Territory entities. Payroll tax increased in line with prevailing labour market conditions, while higher Commonwealth financial assistance grants largely reflected the timing of grant recognition and adjustments between estimated and final entitlements. This was partially offset by lower Territorial revenue following the transfer of Access Canberra's Territorial functions from CMTEDD to the newly established City and Environment Directorate under the *Administrative Arrangements 2025 (No 1)*. Consequently, the associated revenue, including infringement fines, driver licence fees and other regulatory charges, were recognised by the City and Environment Directorate for the full 2025-26 financial year.

Expenditure

Territorial Expenditure for 2025-26 was **\$222.6 million** lower than the original budget of **\$6614.0 million** and **\$357.9 million** higher than the 2024-25 total expenditure of **\$6033.5 million**.

The increase in total expenditure compared with 2024-25, while remaining below the original budget, primarily reflected the corresponding movement in Transfers to Government, consistent with the variance in total income recognised during the year.

Figure 5: Key Expenditure Categories - Territorial, excluding 'Transfers to Government'



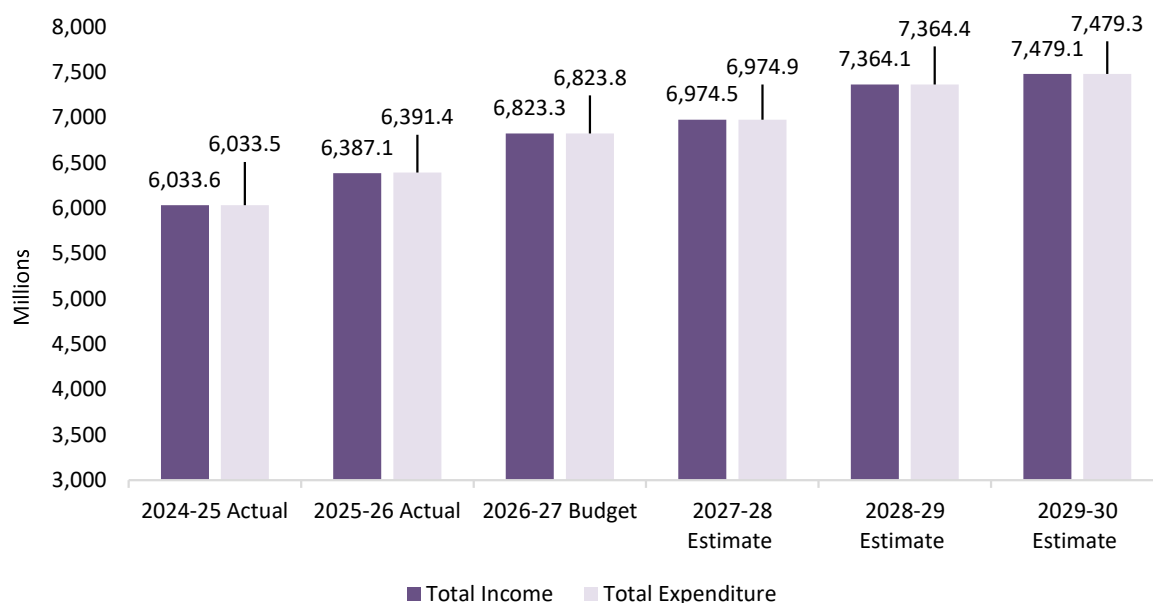
Apart from 'Transfers to Government', Territorial expenditure primarily consists of the transfer of Grants from the Commonwealth to ACT Government agencies, non-ACT Government organisations and individuals for general assistance or specific purposes, and payments made on behalf of the Territory for various subsidy schemes and community service obligations.

The decrease in Grants and Purchased Services expenses compared with 2024-25 was mainly due to the Energy Bill Relief Fund applying only until December 2025, compared with a full year of support in 2024-25. This decrease was partially offset by higher public transport concession payments, reflecting a shorter fare-free travel period in 2025-26 compared with the prior year as well as increased Taxi Subsidy Scheme payments following an increase in subsidy rates from April 2026.

Outlook

Territorial income and expenditure are expected to grow steadily over the forward estimates as set out in Figure 6. The 2026-27 Budget Statements provides detailed information on factors expected to impact this growth.

Figure 6: Territorial Income and Expenditure, including Future Trends



Territorial Financial Position

Territorial Net Assets/(Liabilities)

Territorial Net Assets at 30 June 2026 were **\$5.7 million** higher than the original budget of **\$217.3 million** and **\$2.0 million** lower than the 30 June 2025 net assets of **\$225.0 million**.

Table 4: Territorial Net Assets

	Actual 2026 \$m	Original Budget 2026 \$m	Estimated Outcome 2026 \$m	Actual 2025 \$m
Total Assets	800.9	977.9	888.6	788.9
Total Liabilities	577.9	760.6	664.6	563.9
Territorial Net Assets	223.0	217.3	224.0	225.0

Compared with original budget, the decrease in total assets were mainly due to the reduction in external receivables for Taxes, Fees and Fines, it is partially offset by higher Income Tax Equivalents receivables. The movement in total liabilities largely reflect the movements in receivables explained above, as most funds received through the territorial accounts are on-passed to the TBA.

The reduction in net assets compared to the prior year is also consistent with the ongoing reduction in land held by CMTEDD under the Land Rent Scheme, as participants continue to purchase leased land outright.

Chief Minister, Treasury and Economic Development Directorate

**Controlled Financial Statements for the year ended
30 June 2026**

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Chief Minister, Treasury and Economic Development Directorate (Directorate) for the year ended 30 June 2026 which comprise the:

- Statement of responsibility and statement by the chief finance officer;
- Controlled financial statements – operating statement, balance sheet, statement of changes in equity, statement of cash flows and controlled statement of appropriation;
- Territorial financial statements – statement of income and expenses on behalf of the Territory, statement of assets and liabilities on behalf of the Territory, statement of changes in equity on behalf of the Territory, statement of cash flows on behalf of the Territory and Territorial statement of appropriation; and
- Notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Directorate's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

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

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

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

Responsibilities of the Directorate for the financial statements

The Director-General is responsible for:

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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



Ajay Sharma PSM
Auditor-General
29 September 2026

Chief Minister, Treasury and Economic Development Directorate
Financial Statements
For the Year Ended 30 June 2026

Statement of Responsibility

In my opinion, the Directorate's financial statements fairly reflect its financial operations for the year ended 30 June 2026 and its financial position on that date.



Russ Campbell
Acting Director-General
Chief Minister, Treasury and Economic Development Directorate

24 September 2026

Chief Minister, Treasury and Economic Development Directorate
Financial Statements
For the Year Ended 30 June 2026

Statement by the Chief Finance Officer

In my opinion, the Directorate's financial statements have been prepared in accordance with the Australian Accounting Standards, are in agreement with its accounts and records and fairly reflect its financial operations for the year ended 30 June 2026 and financial position on that date.



Dragana Cvetkovski
Acting Chief Finance Officer
Chief Minister, Treasury and Economic Development Directorate

24 September 2026

Chief Minister, Treasury and Economic Development Directorate

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For the Year Ended 30 June 2026

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Chief Minister, Treasury and Economic Development Directorate
Consolidated Operating Statement
For the Year Ended 30 June 2026

		Actual	Original	Actual
	Note	2026	Budget	2025
	No.	\$'000	\$'000	\$'000
Income				
Controlled Recurrent Payments	#	330,856	433,107	599,060
Fees		779	433	734
Sales of Goods and Services from Contracts with Customers	4	27,876	26,637	116,152
Grants and Contributions Income	5	30,457	27,534	6,339
Interest Revenue		9,483	9,396	8,936
Rental Revenue		1,894	1,915	1,996
Other Income	6	23,497	16,426	22,768
Total Income		424,842	515,448	755,983
Expenses				
Employee Expenses	7	215,242	204,340	417,086
Supplies and Services	8	109,653	112,971	253,669
Depreciation and Amortisation	14, 15	13,906	12,657	44,687
Grants and Purchased Services	9	88,247	194,537	83,687
Borrowing Costs		106	55	515
Other Expenses	10	970	2,343	447
Transfers to Government		3,106	1,363	959
Total Expenses		431,230	528,266	801,050
Operating Result		(6,388)	(12,818)	(45,067)
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus		21,003	-	4,269
Total Other Comprehensive Result		21,003	-	4,269
Total Comprehensive Result		14,615	(12,818)	(40,798)

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

Refer to the Consolidated Statement of Appropriation.

Chief Minister, Treasury and Economic Development Directorate
Consolidated Balance Sheet
As at 30 June 2026

		Actual	Original Budget	Actual
	Note	2026	2026	2025
	No.	\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents	12	64,828	30,206	95,259
Receivables	13	37,875	32,070	38,868
Contract Assets	13	2,437	1,936	17,351
Inventories		595	211	1,353
Other Assets		4,753	19,089	15,267
Total Current Assets		110,488	83,512	168,098
Non-Current Assets				
Receivables	13	106,336	135,902	103,334
Property, Plant and Equipment	14	319,225	461,336	383,700
Investment Properties		5,300	5,020	5,020
Intangible Assets	15	20,454	27,299	63,335
Other Assets		-	3,590	6,086
Total Non-Current Assets		451,315	633,147	561,475
Total Assets		561,803	716,659	729,573
Current Liabilities				
Payables	16	18,816	23,945	26,706
Contract Liabilities	16	2,789	3,673	14,138
Borrowings		54	27	26
Lease Liabilities		441	-	3,571
Employee Benefits	17	70,248	71,130	127,195
Other Provisions		550	7	1,765
Other Liabilities		1,617	709	1,626
Total Current Liabilities		94,515	99,491	175,027
Non-Current Liabilities				
Borrowings		-	28	28
Lease Liabilities		236	683	10,909
Employee Benefits	17	3,983	4,431	7,236
Other Provisions		1,014	466	2,346
Total Non-Current Liabilities		5,233	5,608	20,519
Total Liabilities		99,748	105,099	195,546
Net Assets		462,055	611,560	534,027
Equity				
Accumulated Funds		328,453	441,624	403,992
Asset Revaluation Surplus		133,602	169,936	130,035
Total Equity		462,055	611,560	534,027

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

In last year's financial statements, a separate Capital Works in Progress (CWIP) line item was disclosed on the face of the Balance Sheet. However, in this year's Balance Sheet, the CWIP line item has been removed with CWIP relating to Property, Plant and Equipment (PPE) included in the PPE line item and the CWIP relating to Intangible Assets included in the Intangible Assets line item.

Chief Minister, Treasury and Economic Development Directorate
Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2026

		Accumulated Funds Actual 2026 \$'000	Asset Revaluation Surplus Actual 2026 \$'000	Total Equity Actual 2026 \$'000	Original Budget 2026 \$'000
Note No.					
	Balance at 1 July 2025	403,992	130,035	534,027	678,686
	Comprehensive Income				
	Operating Result	(6,388)	-	(6,388)	(12,818)
	Increase in the Asset Revaluation Surplus	-	21,003	21,003	-
	Total Comprehensive Result	(6,388)	21,003	14,615	(12,818)
	Net Effect of Correction of an Error ¹	(1,242)	-	(1,242)	-
	Transactions Involving Owners Affecting Accumulated Funds				
	Capital Injections #	58,923	-	58,923	80,503
	Capital Distributions	(31,873)	-	(31,873)	(24,851)
	Net Assets Transferred in as part of an Administrative Restructure ²	999	-	999	-
	Net Assets Transferred out as part of an Administrative Restructure ³ 18	(113,394)	-	(113,394)	(109,960)
	Total Transactions Involving Owners Affecting Accumulated Funds	(85,345)	-	(85,345)	(54,308)
	Movement in the Asset Revaluation Surplus				
	Transfers of the Asset Revaluation Surplus to/(from) Accumulated Funds	17,436	(17,436)	-	-
	Total Movement in the Asset Revaluation Surplus	17,436	(17,436)	-	-
	Balance at 30 June 2026	328,453	133,602	462,055	611,560

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

Refer to the Statement of Appropriations.

¹ This amount is driven by corrections of provisions relating to the makegood of office accommodation from prior years. Whilst these adjustments have been deemed immaterial, they have been corrected through Accumulated Funds (Equity) to provide additional transparency to readers of the financial statements.

² Net assets transferred in as part of the Administrative Restructure relates to the transfer of ACT Heritage Library functions transferring from the City and Environment Directorate (CED) under the *Administrative Arrangements 2025 (No 1)*.

³ The net liabilities transferred out largely relates to the transfer of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) and Access Canberra to CED under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

Chief Minister, Treasury and Economic Development Directorate
Consolidated Statement of Changes in Equity - Continued
For the Year Ended 30 June 2026

		Asset	
	Accumulated	Revaluation	Total
	Funds	Surplus	Equity
	Actual	Actual	Actual
Note	2025	2025	2025
No.	\$'000	\$'000	\$'000
Balance at 1 July 2024	449,329	169,935	619,264
Comprehensive Income			
Operating Result	(45,067)	-	(45,067)
Increase in the Asset Revaluation Surplus	-	4,269	4,269
Total Comprehensive Result	(45,067)	4,269	(40,798)
Net Effect of Correction of an Error ¹	(1,667)	-	(1,667)
Transactions Involving Owners Affecting Accumulated Funds			
Capital Injections	100,381	-	100,381
Capital Distributions	(27,788)	-	(27,788)
Net Liabilities transferred out as part of an Administrative Restructure ²	271	-	271
Net Assets transferred out as part of an Administrative Restructure ²	(115,636)	-	(115,636)
Total Transactions Involving Owners Affecting Accumulated Funds	(42,772)	-	(42,772)
Movement in the Asset Revaluation Surplus			
Transfers of the Asset Revaluation Surplus to/(from) Accumulated Funds	44,169	(44,169)	-
Total Movement in the Asset Revaluation Surplus	44,169	(44,169)	-
Balance at 30 June 2025	403,992	130,035	534,027

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

Refer to the Statement of Appropriations

¹ This amount is driven by corrections of contract liabilities relating to the Rego ACT account and payments received from ACT Government agencies for the provision of data centre infrastructure from prior years. Whilst these adjustments have been deemed immaterial, they have been corrected through Accumulated Funds (Equity) to provide additional transparency to readers of the financial statements.

² The movements within Accumulated Funds and the Asset Revaluation Surplus are primarily driven by the restructuring of Administrative Arrangements 2024 (No 1) resulting in Community Arts Facilities and Tier 1 and Tier 2 capital works projects being transferred to Infrastructure Canberra.

Chief Minister, Treasury and Economic Development Directorate
Consolidated Statement of Cash Flows
For the Year Ended 30 June 2026

	Note No.	Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		330,856	433,107	599,060
Grants and Contributions		-	-	237
Fees		779	433	733
Sales of Goods and Services from Contracts with Customers		32,511	50,895	124,413
Interest Received		1,003	214	1,060
Goods and Services Tax Input Tax Credits from the Australian Taxation Office (ATO)		16,808	45,717	36,581
Goods and Services Tax Collected from Customers		2,615	3,110	2,898
Other		15,462	9,173	15,037
Total Receipts from Operating Activities		400,034	542,649	780,019
Payments				
Employee Payments		213,836	200,787	398,493
Supplies and Services		77,265	90,856	226,869
Grants and Purchased Services		81,279	199,630	74,419
Borrowing Costs		60	102	424
Goods and Services Tax Remitted to the ATO		2,398	3,450	2,795
Goods and Services Tax Paid to Suppliers		16,997	45,262	36,031
Other		341	972	362
Transfer of Territory Receipts to the ACT Government		3,106	1,435	959
Total Payments from Operating Activities		395,282	542,494	740,352
Net Cash Inflows from Operating Activities	12	4,752	155	39,667
Cash Flows from Investing Activities				
Receipts				
Proceeds from the Sale of Property, Plant and Equipment		51	380	434
Proceeds from Repayments of Loans		31,956	26,757	29,757
Total Receipts from Investing Activities		32,007	27,137	30,191
Payments				
Purchase of Property, Plant and Equipment		466	10,099	11,323
Purchase of Capital Works in Progress		19,808	44,399	47,891
Loans Provided		36,446	29,967	39,832
Total Payments from Investing Activities		56,720	84,465	99,046
Net Cash Outflows from Investing Activities		(24,713)	(57,328)	(68,855)

Chief Minister, Treasury and Economic Development Directorate
Consolidated Statement of Cash Flows - Continued
For the Year Ended 30 June 2026

	Note No.	Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
Cash Flows from Financing Activities				
Receipts				
Capital Injections		58,923	80,503	100,381
Receipts of Transferred Cash Balances		-	39	5,061
Total Receipts from Financing Activities		58,923	80,542	105,442
Payments				
Distributions to Government		31,873	24,851	27,222
Repayment of Borrowings		26	29	28
Repayment of Lease Liabilities - Principal		460	2,105	3,137
Transfer of Cash to Other Agencies due to Administrative Arrangements		37,034	14,216	56
Total Payments from Financing Activities		69,393	41,201	30,443
Net Cash Inflows/(Outflow) from Financing Activities		(10,470)	39,341	74,999
Net Increase/(Decrease) in Cash and Cash Equivalents		(30,431)	(17,832)	45,811
Cash and Cash Equivalents at the Beginning of the Reporting Period		95,259	48,038	49,448
Cash and Cash Equivalents at the End of the Reporting Period	12	64,828	30,206	95,259

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

Chief Minister, Treasury and Economic Development Directorate

Controlled Statement of Appropriation

For the Year Ended 30 June 2026

Controlled Recurrent Payments (CRP) are revenue received from the ACT Government to fund the net costs of delivering outputs. CRP is recognised when Chief Minister, Treasury and Economic Development Directorate (CMTEDD) gains control over the funding which is obtained upon the receipt of cash, given it does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15 *Revenue from Contracts with Customers*.

Capital injection appropriations are not recognised as income, but instead are recognised as equity injections and a cash inflow which is used to purchase/build an asset(s) or to reduce a liability(s). In the following table the:

- **The Original Budget** column shows the amounts that appear in the Changes to Appropriation tables in the 2025-26 Budget Statements (These amounts also appear in CMTEDD's Consolidated Statement of Cash Flows);
- **The Total Appropriated** column includes all appropriation variations occurring after the Original Budget;
- **The Appropriation Drawn** is the total amount of appropriation received by CMTEDD during the year. This amount also appears in the Consolidated Statement of Cash Flows.

	Original Budget 2026 \$'000	Total Appropriated 2026 \$'000	Appropriation Drawn 2026 \$'000	Appropriation Drawn 2025 \$'000
Controlled				
Controlled Recurrent Payments	433,107	407,430	330,856	599,060
Capital Injections	80,503	88,510	58,923	100,381
Total Controlled Appropriation ¹	513,610	495,940	389,779	699,441

1. The decrease in appropriation drawn in 2026 compared to 2025 is primarily due to the transfer of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) and Access Canberra to the City and Environment Directorate (CED) under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

The following table and associated footnotes explain the movements between the **Original Budget, Total Appropriated** and **Appropriation Drawn**.

	Controlled Recurrent Payments (CRP) \$'000	Capital Injections (CI) \$'000
Reconciliation of Appropriation for 2025-26		
Original Budget	433,107	80,503
Changes in Appropriation during 2025-26		
Transfer of funds from other appropriations to capital injection appropriation (FMA s.14B)	(100)	-
Transfer of funds between appropriations (FMA s.14)	-	(1,400)
Transfer of functions to another entity (FMA s.16) ²	(28,450)	(391)
Rollover of undisbursed appropriation (FMA s.16B) ³	2,873	9,798
Total Change in Appropriation during 2025-26	(25,677)	8,007
Total Appropriated	407,430	88,510
Undrawn Funds ⁴	(76,574)	(29,587)
Total Controlled Appropriation Drawn	330,856	58,923

2. The transfer of functions to another entity relates to the transfer of Affordable and Community Housing Policy function to the City and Environment Directorate (CED) under the *Administrative Arrangements 2025 (No 2)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

3. The rollover of undisbursed appropriation (capital Injection) largely related to the rollover of funds from 2024-25 to 2025-26 for the Sustainable Household Scheme (SHS). The scheme is a demand-driven program that experiences fluctuation in uptake by the public.

4. The CRP remaining undrawn reflects delays in planned expenditure for initiatives, including Commonwealth Grant – User Choice, Job Trainer, Fee Free Tafe and National Skills Agreement. Undrawn CI mainly relates to lower than anticipated funding utilisation for the Sustainable Household Scheme and delays across few infrastructure programs. Most of undrawn CRP and CI appropriation has been rolled over to the 2026-27 financial year through the 2026-27 Budget.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 1. OBJECTIVES

Operations and Principal Activities

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) is a not-for-profit ACT Government entity in the General Government Sector. As a central agency, CMTEDD works collaboratively within government and with the community to deliver government priorities and drive initiatives aimed at making Canberra a better place to live. CMTEDD also leads the strategic direction of the ACT Public Service (ACTPS) to ensure it is well positioned to shape and respond to change, and to continue to deliver against government priorities, now and in the future.

CMTEDD:

- supports the Chief Minister, CMTEDD's ministers and the Cabinet by providing informed, holistic and innovative advice;
- provides support and direction across the ACTPS on Cabinet and Assembly business, policy and strategy;
- leads the ongoing development of the ACTPS, including advising on the structure of the ACTPS, ACT public sector employment legislation and conditions, industrial relations, diversity and inclusion and human resource management;
- drives diversification in our knowledge-based economy and growth in our visitor economy, enhancing our reputation as a global destination in collaboration with business, tertiary education institutions as well as community and industry partners;
- provides strategic financial and economic advice to the ACT Government to improve the Territory's financial position and economic management;
- administers the ACT tax laws and manage the assessment and collection of ACT taxes;
- supports public sector health and productivity by providing effective injury prevention and management services and infrastructure;
- supports government through the provision of financial, human resources, insurance, infrastructure and procurement advisory services;
- keeps the Canberra community well informed of government policies, programs and services through the provision of clear, accessible communication;
- keeps the Canberra community well informed in times of a Territory emergency through the whole of government Public Information Coordination Centre; and
- provides meaningful opportunities for Canberrans to inform government decision making, including the development of government policies, programs and services.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government directorates. The FMA and the *Financial Management Guidelines* issued under the FMA require CMTEDD's financial statements to include:

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

These general-purpose financial statements have been prepared in accordance with the Australian Accounting Standards (as required by the FMA), supplemented by following the ACT Accounting and Disclosure Policies.

Accrual Accounting

The financial statements have been prepared using the accrual basis of accounting. The financial statements have also been prepared according to historical cost convention, except for assets such as those included in investment properties, property, plant and equipment and financial instruments which are valued at fair value in accordance with (re)valuation policies applicable to CMTEDD during the reporting period.

Currency

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

Material Accounting Policies and Explanatory Information

Material accounting policies and explanatory information is provided in each note included in these financial statements where appropriate.

Controlled and Territorial Items

CMTEDD produces Controlled and Territorial financial statements. The Controlled financial statements include income, expenses, assets and liabilities over which CMTEDD has control. The Territorial financial statements include income, expenses, assets and liabilities that CMTEDD administers on behalf of the ACT Government, but does not control.

The purpose of the distinction between Controlled and Territorial is to enable an assessment of CMTEDD's performance against the decisions it has made in relation to the resources it controls, while maintaining accountability for all resources under its responsibility.

The basis of preparation described above applies to both Controlled and Territorial financial statements except where specified otherwise.

Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of CMTEDD for the year ended 30 June 2026 together with the financial position of CMTEDD as at 30 June 2026.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS - CONTINUED

Basis of Consolidation

The consolidated Controlled Financial Statements comprise the financial statements of the Directorate (CMTEDD), being the parent entity and its controlled entity, the ACT Sustainable Household Scheme Trust. Combined, the Directorate and its controlled entity are referred to in these financial statements as CMTEDD. The information of the controlled entity is disclosed in Note 20 *Securitisation Arrangements* to these financial statements. The controlled entity was established on 11 June 2024 and operates with a 30 June financial year end. The comparative period was the first year of the controlled entity preparing special purpose financial statements, covered the period from 11 June 2024 to 30 June 2025. Control is achieved when the Directorate:

- has power over the investee;
- is exposed, or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Directorate reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of more elements of control listed above. Controlled entities are fully consolidated from the date on which control is transferred to the Directorate. They are de-consolidated from the date that control ceases. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the consolidated entity are eliminated in full on consolidation.

Consolidation is only applicable to the Controlled financial statements, whereas the Territorial financial statements are prepared on a stand-alone basis.

Comparative Figures

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2025-26 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers.

Prior Year Comparatives

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

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

Rounding

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

Going Concern

The 2025-26 financial statements have been prepared on a going concern basis as CMTEDD has been funded in the ACT Government 2026-27 Budget and the Budget Statements include forward estimates for CMTEDD.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 3. IMPACT OF ACCOUNTING STANDARD ISSUED BUT YET TO BE APPLIED

The information below applies to both the Controlled and Territorial financial statements.

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods and will be adopted from their application date.

Standards and Interpretations issued but yet to be applied have been assessed as not being relevant to CMTEDD or will have an immaterial financial impact on CMTEDD. However, AASB 18 *Presentation and Disclosure in Financial Statements* (applicable 1 January 2028 for not-for-profit public sector entities) does contain some major presentation/disclosure changes that may impact on CMTEDD including:

- that operating, investing and financing categories as well as additional subtotals have to be included in the agency's operating statement;
- the disclosure of management-defined performance measures and reconciliations of these measures with the subtotals required by AASB Standards; and
- enhanced requirements for the grouping (aggregation and disaggregation) of information in the financial statements and in the notes.

The AASB has issued an exposure draft (ED 338 *Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation*) that outlines modifications to AASB 18 for not-for-profit public sector entities. If these modifications in the exposure draft are adopted, they will effectively enable CMTEDD to continue to broadly apply the existing disclosure requirements contained in AASB 101 *Presentation of Financial Statements*. However, as this exposure draft is not yet finalised, the impact on CMTEDD's financial statements from the adoption of AASB 18 cannot be determined at this time.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

INCOME NOTES

Income Recognition

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

NOTE 4. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

CMTEDD earns revenue from providing goods and services to other ACT Government agencies, private sector consumers and to the public. This revenue is legally retained by the Agency and driven by consumer demand. Where payment is not required at the time of purchase, payments from customers are generally required within 30 days of the provision of services.

CMTEDD assesses its revenue from contracts with customers and uses key judgements in determining the satisfaction of performance obligations. Key judgements are also used in determining the transaction price and the amounts allocated to performance obligations.

Services Revenue

CMTEDD's provision of services mainly relates to procurement, Records Management, Human Resources (HR) and finance services provided to ACT Government agencies as well as tourism, entertainment and event related services provided on a cost recovery basis. In the previous year, CMTEDD also generated revenue from the provision of Information and Communication Technology services as well as services relating to ACT Government shopfronts and other operational support services provided on a cost recovery basis.

Services Revenue is either recorded at a point in time for one-off items such as ticket sales or over time for ongoing commercial arrangements as CMTEDD provides the services and they are consumed by the customer. Standard ICT services were billed over the course of the year reflecting the provision of services on a quarterly basis, while ICT project services and the passthrough of associated external costs are recognised at a point in time when the goods / services have been consumed.

Digital, Data and Technology Solutions Division (DDTS) which provided ICT Services was transferred to Digital Canberra and Access Canberra which operated ACT Government Shopfronts and provided operational support services was transferred to the City and Environment Directorate under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information

Sale of Goods

CMTEDD's sale of goods revenue is mostly from food and beverage sales at sporting fixtures, including associated concession agreements with on-site suppliers and merchandising of tourism related products at events such as Floriade, Nightfest and Enlighten. Sale of Goods revenue is recognised at the time when physical possession of the goods transfers to the customer.

Event Venues and Site Usage Revenue

CMTEDD's Event Venues and Site Usage Revenue is primarily derived from the hire and use of event venues, stadiums, sporting facilities, event sites. This includes fees charged to sporting clubs, event organisers, exhibitors, stallholders and other users for access to and use of CMTEDD-managed venues and sites. Revenue is recognised when the customer obtains access to the venue, site or facility and the related performance obligations have been satisfied which is the date of the event.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 4. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS - CONTINUED

	2026 \$'000	2025 \$'000
Sale of Goods		
Food and Beverage Revenue	888	1,652
Other Sale of Goods ¹	551	637
Total Sale of Goods	1,439	2,289
Services Revenue		
Corporate Hospitality, Ticket Sales and Hire Charges ^{1,2}	6,529	3,696
Records Management Services ^{3,4}	6,281	2,467
Procurement, Corporate, HR, Finance and Publishing Services ^{1,3}	5,704	6,702
Other ¹	2,320	2,902
ICT Services ⁵	-	81,605
ACT Government Shopfront ⁶	-	4,770
Operational Support Services ⁶	-	6,404
Total Services Revenue	20,834	108,546
Event Venues and Site Usage Revenue		
Event Venues and Site Usage Revenue	5,603	5,317
Total Event Venues and Site Usage Revenue ¹	5,603	5,317
Total Sales of Goods and Services from Contracts with Customers	27,876	116,152

¹ Amounts previously reported in 'Other' have been disaggregated into Other Sale of Goods, Corporate Hospitality, Ticket Sales and Hire Charges, Procurement, Corporate, HR, Finance and Publishing Service and Rental Revenue, with remaining items continuing to be reported as 'Other'. Prior year amounts have been restated to improve comparability to readers of the financial statements.

² This increase is mainly due to revenue from additional major events and sporting games at venues including Canberra Raiders finals matches, Socceroos vs New Zealand, Ricky Martin, and the Freestyle Kings.

³ Records Management has been reclassified from the former category 'Procurement, Records, HR, Finance and Publishing Services' and reported separately due to the significant revenue earned from this category. Prior-year amounts have been restated to improve clarity and comparability.

⁴ The increase is mainly attributable to higher demand for postage and storage services, the transfer of Access Canberra to the City and Environment Directorate (CED), and the transfer of the Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) under the *Administrative Arrangements 2025 (No. 1)*, which resulted in revenue being recognised in the current year for records management services. No revenue was recognised previously as these transactions were within CMTEDD.

⁵ The decrease is due to the transfer of DDTS to DCBR under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

⁶ The decrease is due to the transfer of Access Canberra to CED under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 5. GRANTS AND CONTRIBUTIONS INCOME

General Grants and Contributions Accounting Policy

Where CMTEDD receives an asset or services for significantly less than fair value then the transaction is in the scope of AASB 1058 *Income of Not-for-Profit Entities* and income is recognised on receipt of the asset/services. The related expense and/or asset is recognised in the line item to which it relates, when the services are received.

Goods and services received free of charge from ACT Government agencies are recognised as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recognised as grants, donations or contributions.

All the services listed below are recognised in the Operating Statement or Balance Sheet as appropriate as services received free of charge given they are reliably measurable and would have been purchased if not provided to the CMTEDD free of charge.

Legal Services

Legal Services were received free of charge from the ACT Government Solicitor's and Community Safety Directorate. The GSO provided the directorate with the fair value of the services provided.

Information and Communication Technology services provided by Digital Canberra (DCBR)

DCBR provides information and communication technology (ICT) services to CMTEDD. DCBR is directly appropriated by the ACT Government to provide these services to CMTEDD and as such CMTEDD receives these services free of charge.

CMTEDD is required by the ACT Government to use DCBR for these services.

Search Services provided by City and Environment Directorate (CED)

Access Canberra as part of CED provided search services which include title, plans, historical, crown lease and name searches free of charge. Access Canberra provided the directorate with the fair value of the services.

Project Management Services provided by Infrastructure Canberra (iCBR)

iCBR provides procurement and infrastructure delivery services to CMTEDD free of charge. iCBR is directly appropriated to deliver these services and as such, CMTEDD is required to use these services. The fair value of these services provided are capitalised on the Balance Sheet as they are directly attributable to the creation of the assets for which the service is provided.

Accommodation Services provided by Infrastructure Canberra (iCBR)

iCBR provides accommodation services, including rent, electricity, and other building-related outgoings to CMTEDD. iCBR is directly appropriated to deliver these services and as such, CMTEDD receives these services free of charge.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 5. GRANTS AND CONTRIBUTIONS INCOME - CONTINUED

	2026 \$'000	2025 \$'000
Resources Received Free of Charge		
Legal Services provided by Justice and Community Safety Directorate ¹	3,631	5,701
Information and Communication Technology services provided by Digital Canberra ²	13,201	-
Search Services provided by City and Environment Directorate ²	2,891	-
Project Management Services provided by Infrastructure Canberra Accommodation Services provided by Infrastructure Canberra ³	731	540
	9,794	-
Radio Network Services provided by Justice and Community Safety Directorate	86	-
Total Resources Received Free of Charge	30,334	6,241
Other Grants and Contributions Income		
Donations	123	98
Total Other Grants and Contributions Income	123	98
Total Grants and Contributions Income	30,457	6,339

¹ The decrease is due to lower demand for legal services during the year. This is also consistent with lower contingent liabilities recorded for 2025-26 due to lower number of legal claims.

² The increase is mainly due to the transfer of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) and Access Canberra to the City and Environment Directorate (CED) under the *Administrative Arrangements 2025 (No 1)*, which resulted in revenue being recorded in the current year for information and communication technology and search services. No revenue was recorded previously as it was an internal transaction within CMTEDD.

³ The increase is mainly due to accommodation services being received free of charge from Infrastructure Canberra (ICBR) from 2025-26 onwards, following the transfer of related appropriation funding. Prior to 2025-26, CMTEDD was appropriated to pay for these services.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 6. OTHER INCOME

Other Income consists of other revenue, gains from disposal, de-recognition and re-measurement of assets and other gains. Other revenue arises from core activities of CMTEDD, whereas Other Gains are transactions that are not part of the CMTEDD's core activities and tend to be one off. Other revenues typically are recovery of costs incurred by CMTEDD. Gains from sale of assets are recognised at the time of the sale and measured by deducting the net carrying amount of the asset, and related selling expenses, from the sales proceeds.

Event Recoveries

Event recoveries represent amounts recovered from event organisers, hirers, or other parties for costs incurred by CMTEDD in connection with the delivery and operation of events. These recoveries primarily relate to services such as cleaning, security, traffic management, medical and emergency services and other event-related operational costs. Recoveries are recognised in the period in which the related costs are incurred and services are provided.

Sponsorships and Contributions

Sponsorship and contributions income represents contributions received from corporate sponsors, businesses and other organisations in support of events as well as granting rights to display signage at venues owned by CMTEDD. Income is recognised when the associated benefits and obligations under the sponsorship arrangement have been provided.

Workforce Recoveries

Workforce recoveries largely relate to recovery of employee related costs from other agencies. These amounts represent reimbursements for salary and associated employment costs incurred by CMTEDD in providing Rehabilitation and Injury Management Services and other workforce services to the ACT Government agencies. Revenue is recognised in the period in which the related employee services are provided.

Salary Packaging Fees

Salary Packaging Fees represent amounts charged to employees for the administration and management of salary packaging arrangements. These fees relate to services provided by CMTEDD in facilitating employee salary sacrifice and other approved remuneration packaging arrangements. Fees are recognised on a fortnightly basis following payroll processing, as this is when the related services are provided.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 6. OTHER INCOME

	2026 \$'000	2025 \$'000
Other Revenue		
Sponsorship & Contributions	1,782	2,254
Salary Packaging Fees	2,652	2,357
Workforce Recoveries	8,615	7,386
Events Recoveries ¹	7,016	5,597
ACT Civil & Administrative Tribunal Recoveries	916	1,850
Other Revenue	2,320	1,566
Total Other Revenue	23,301	21,010
Gains on Disposal of Assets		
Gain from the Sale of Motor Vehicles	79	21
Gains from Disposal and Derecognition of Assets	(28)	412
Total Gains from Disposal, Derecognition and Remeasurement of Assets	51	433
Other Gains		
Other Gains ²	145	1,325
Total Other Gains	145	1,325
Total Other Income	23,497	22,768

1. The increase is mainly due to additional recoverable expenses and revenue generated by matches and events held at Canberra Stadium, including additional Canberra Raiders finals matches, Socceroos vs New Zealand, Ricky Martin, and the Freestyle Kings.
2. The decrease reflects a reduction in expected credit losses in 2025-26 and the corresponding gain resulting from improved collection rates of trade receivables.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

EXPENSE NOTES

NOTE 7. EMPLOYEE EXPENSES

Employee expenses comprise all costs incurred in relation to employing staff including wages and salaries, fringe benefits tax, leave entitlements, annual leave loading, termination payments, workers' compensation insurance premiums, accrued flextime, non-monetary benefits, and other employee benefits and on-costs.

Wages and salaries are recognised in the reporting period when the employee renders services to the agency. They are measured based on the amount paid to employees during the year as well as any wages and salaries due to employees that remain unpaid at the end of the financial year.

Superannuation Expense

Employees of CMTEDD will have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS), CMTEDD determines the employer superannuation contribution payment rate and then makes these payments to the Territory Banking Account. CMTEDD also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for the administration of these schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation accumulation plan (PSSAP) and schemes of employee choice), CMTEDD makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

	2026	2025
	\$'000	\$'000
Wages and Salaries	176,244	327,663
Annual Leave Expense ²	2,852	7,115
Long Service Leave Expense ³	1,163	11,397
Workers' Compensation Insurance Premium	1,712	4,563
Termination Expense ⁴	939	2,650
Superannuation Contributions to the Territory Banking Account	10,351	18,970
Productivity Benefit and PSSAP	2,595	4,344
Superannuation to External Providers	16,267	28,760
Flextime Expense ⁵	25	6,068
Other Employee Benefits and On-Costs ⁶	3,094	5,556
Total Employee Expenses ¹	215,242	417,086

¹ The decrease in total employee expenses is primarily due to the transfer of Digital, Data and Technology Solutions (DDTS) Division to Digital Canberra (DCBR) and Access Canberra to the City and Environment Directorate (CED) under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

² The decrease is largely resulting from Administrative Arrangement transfers mentioned above and prior year expense being higher due to higher staffing levels, pay rises under Enterprise Agreements and change in rate used to estimate the present value of annual leave liability from 99.5 percent to 98.0 percent.

³ The decrease is largely resulting from Administrative Arrangement transfers mentioned above and prior year expense being unusually high due to change in the rate used to estimate the present value of long service leave liability from 100.1 percent to 95.5 percent.

⁴ The decrease in termination payments is primarily due to lower number of staff receiving termination payments and lower average termination payment amount compared to 2024-25.

⁵ The current year amount represents the movement in flextime liabilities. The prior year amount represents the first-time recognition of a flextime liability where up to one ordinary week is payable for eligible employees upon cessation of their employment.

⁶ The decrease is mainly due to less maternity leave and other leave taken during 2025-26, compared to 2024-25.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 8. SUPPLIES AND SERVICES

General - Supplies and Services

Purchases of Supplies and Services generally represent the day-to-day running costs incurred in normal operations, recognised in the reporting period in which these expenses are incurred. Supplies and Services are measured at the amount paid or payable, or where Supplies and Services have been provided free of charge, they are measured at their fair value at the time they are provided.

Auditor Service Fees

Auditor's remuneration consists of financial audit services provided to CMTEDD by the ACT Audit Office. Fees are paid to the ACT Audit Office for the audit of CMTEDD's financial statements and review of CMTEDD's statement of performance. The ACT Audit Office also provides financial audit services to the Territory Bank Account (TBA), the Consolidated Australian Capital Territory Financial Statements and the Sustainable Household Scheme Trust's special purpose financial statements which are paid for by CMTEDD.

Consultant Fees, Contractors and Professional Services

Consultant fees, contractors and professional services are expenditure on external service providers engaged to deliver specialist advice, expertise or services not readily available within the Directorate. This typically includes ICT, legal and financial advice, temporary personnel, technical specialists and project-based support to meet key government business needs. Professional services also include fees paid for the management and administration of the Sustainable Household Scheme.

Insurance

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

Information and Communication Technology (ICT) Costs

Information and Communication Technology (ICT) costs are costs associated with the delivery and support of digital services including software licensing, cloud services, telecommunications and other support services.

Previously, Digital, Data and Technology Solutions (DDTS) within CMTEDD provided these services across the whole of ACT Government. These services were transferred and now delivered by Digital Canberra as a result of the *Administrative Arrangements 2025 (No 1)*.

Lease Rental Payments

Lease rental payments include short-term leases of 12 months or less and low value leases up to \$10,000 entered into directly by CMTEDD.

Previously, lease rental payments also include property lease (rental) payments made to ACT Property Group within Infrastructure Canberra (iCBR). CMTEDD does not recognise a Right of Use Asset for these items as it has no formal sub-lease or exclusive control of these properties. From 2025-26 onwards, iCBR are directly appropriated for the majority of the property lease and outgoings costs, with the fair value of services recorded as resources received free of charge.

Repairs and Maintenance

CMTEDD undertakes major cyclical maintenance on its assets. Where the maintenance leads to an upgrade or increase to the service potential of the existing asset, the cost is capitalised. Maintenance expenses that do not increase the service potential of the asset are expensed.

Previously, CMTEDD also undertook repairs and maintenance for Community Arts facilities. These facilities and associated costs have transferred to iCBR in 2024-25 as part of the *Administrative Arrangements 2024 (No.1)*.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 8. SUPPLIES AND SERVICES - CONTINUED

	2026 \$'000	2025 \$'000
Supplies and Services		
Audit Services	1,042	1,025
Consultant Fees, Contractors and Professional Services ¹	15,316	63,110
Event Management and Hire Costs ²	7,342	7,019
Information and Communication Technology (ICT) Costs ^{1, 3}	25,106	105,544
Insurance	984	1,416
Lease Rental Payments and Operating Cost ^{1, 3}	19,526	27,293
Legal Costs ^{3, 4}	3,717	5,702
Marketing Expenses	7,087	6,158
Materials and Consumables ⁵	3,197	4,779
Postage, Printing, Stationery and Freight - Directorate ¹	1,952	4,709
Printing, Photocopying and Postage - on Behalf of Other Agencies ⁶	3,840	8,309
Repairs and Maintenance ⁷	3,651	4,655
Staff Related Expenses	2,866	3,520
Territory Venues Management Costs	2,382	1,620
Training and Development	1,524	1,855
Utilities	2,281	2,369
Other ^{2, 3, 8}	7,840	4,586
Total Supplies and Services	109,653	253,669

¹ The decrease is due to the transfer of Digital Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) and Access Canberra to City and Environment Directorate (CED) as a result of *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

² Event Management and Hire Costs have been separately categorised from Other in 2025-26 to better reflect the nature of expenditure. Prior year amounts have been reclassified to improve clarity and comparability.

³ Amounts recognised as Resources Received Free of Charge have been recognised in the corresponding line item to which the services relate. Prior year amounts have been restated to improve clarity and comparability. Refer to Note 5 Grants and Contributions Income for a detailed breakdown of resources received free of charge.

⁴ The decrease is due to lower demand for legal services during the year. This is also consistent with lower contingent liabilities recorded for 2025-26 due to a lower number of legal claims.

⁵ The decrease is primarily due to the transfer of Access Canberra to CED as a result of Administrative Arrangements, as discussed above.

⁶ The decrease mainly relates to the transfer of DDTS as the main provider of printing services for the ACT Government agencies to DCBR as a result of the Administrative Arrangements, as discussed above.

⁷ The decrease mainly relates to Community Arts facilities that have transferred to iCBR as a result of the *Administrative Arrangements 2024 (No 1)* and the transfer of Access Canberra to CED on 1 July 2025, as discussed above.

⁸ The increase mainly relates to land title search fees provided free of charge through Access Canberra.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 9. GRANTS AND PURCHASED SERVICES

Grants are amounts provided by CMTEDD to ACT Government agencies, non-ACT Government agencies and individuals for general assistance or for a particular purpose. Grants may be for capital, current or recurrent purposes and the name or category reflects the use of the grant. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

Grants are goods, services or assets that are provided to another entity without receiving approximately equal value in return. Grants are measured at the fair value of the transaction, at the time that transaction occurs.

CMTEDD provides concessional loans to households and community groups as part of the Sustainable Household Scheme (SHS). In accordance with ACT Government Accounting Policy, the difference between the present value of loans issued calculated using the concessional interest rate (face value, 3% for new loans from 1 July 2025 or 0% prior to 1 July 2025) and the present value calculated using the market rate (fair value) is recognised as a Concessional Loan Discount Expense.

Purchased services are amounts paid to obtain services from other ACT Government agencies and external parties. Purchased services are typically services that are purchased by CMTEDD which are not provided directly to the Directorate itself but are instead provided on behalf of the Directorate to others, whereas, the expenses included in Note 8 Supplies and Services are typically provided directly to the Directorate itself. Purchased services transactions are reciprocal in nature.

For a further breakdown of the grants refer to Volume 1 of CMTEDD's Annual Report.

	2026 \$'000	2025 \$'000
Grants		
Arts	12,256	11,397
Events, Sport, Recreation and Tourism	19,573	20,632
Innovation, Trade and Investment ¹	15,861	6,852
Training and Skills Development ²	24,655	19,598
Concessional Loan Discount Expense ³	6,005	11,806
Other ⁴	4,237	5,948
Total Grants	82,587	76,234
Purchased Services		
ACT Ombudsman	4,882	4,740
Other ⁵	778	2,713
Total Purchased Services	5,660	7,453
Total Grants and Purchased Services	88,247	83,687

¹ The increase is mainly due to grants to University of NSW for the master plan of Canberra City Campus and to Screen Canberra to boost the local film, television, and digital games industry.

² The increase is mainly driven by grants for the new Fee Free TAFE program which offers certificates and diplomas in sectors with skills shortages; grants for Cyber Security and TAFE Centres of Excellence which builds the safeguard for Australia's digital future and grants for Vocational Education and Training (VET) workforce under National Skills Agreement.

³ The decrease is mainly due to changes to the ACT Sustainable Household Scheme (SHS) which began charging a 3% interest rate on new loans from 1 July 2025, reducing the concessional loan discount expense. Furthermore, the demand for loans under the SHS decreased following introduction of interest charges and removal of loans for solar panels.

⁴ The decrease is primarily due to the transfer of Access Canberra and Affordable and Community Housing Policy functions to CED and the Office for LGBTIQ+ Affairs to HCSD as a result of Administrative Arrangements 2025 (No 1). Refer to Note 18 Restructure of Administrative Arrangements for more information.

⁵ The decrease is primarily due to the transfer of Access Canberra and Climate Action functions to CED, and the Office for LGBTIQ+ Affairs to HCSD as a result of Administrative Arrangements 2025 (No 1), which resulted in no expenditure being recorded in 2025-26 for the Food Management program, the Big Battery project and supporting the LGBTIQ+ community.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 10. OTHER EXPENSES

Act of Grace Payments

Under Section 130 of the Financial Management ACT 1996 (FMA) the Treasurer may, in writing, authorise act of grace payments to be made by the Territory.

Act of grace payments are payments that would not otherwise be authorised by law or required to meet a legal liability but are authorised by the Treasurer where they consider it is appropriate to do so because of special circumstances. It is ordinarily the case that the Territory has some moral obligation in respect of the special circumstances that warrants the authorisation of the payment. Act of Grace Payments are recognised when the Treasurer has authorised the payment and are measured at the amount paid or payable.

Impairment Losses and Write-Offs

Non-Financial Assets

Impairment loss expenses are recognised for both property, plant and equipment, and intangible assets when their carrying amount is higher than their recoverable amount, with the difference between the two being the amount of the impairment loss. Impairment losses for plant and equipment, leasehold improvements and intangibles are recognised as an expense in the Operating Statement. Impairment losses for land, buildings, infrastructure, and heritage and community assets, are only recognised as an expense when the amount of the impairment is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset. See Note 14 Property, Plant and Equipment and Note 15 Intangible Assets.

Receivables

For more information about the impairment and write-off of receivables, see Note 13 Receivables and Contract Assets.

Waivers

A waiver is the relinquishment of a legal claim to a debt. The Treasurer may in writing, waive the right to payment of an amount owing to the Territory. Debts that are waived under section 131 of the FMA are expensed during the year in which the right to payment was waived.

	2026 \$'000	2025 \$'000
Other Expenses		
Impairment and Write-off of Receivables	5	67
Losses on Disposal of Assets ¹	663	250
Act of Grace Payments	-	3
Other ²	302	127
Total Other Expenses	970	447

¹ The increase primarily due to expensing of costs from capital projects that did not meet the asset recognition criteria under the Australian Accounting Standards.

² The increase primarily due to the transfer of funding to the City Renewal Authority for corporate support services.

	No. of Items	2026 \$'000	No. of Items	2025 \$'000
Breakdown of Act of Grace Payments				
Payments Relating to the Refund of Fees	-	-	1	3
Total Act of Grace Payments	-	-	1	3

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 11. RESOURCES PROVIDED FREE OF CHARGE

CMTEDD provided a range of services free of charge to other ACT Government agencies throughout the financial year. These services have been recognised in the Directorate's Operating Statement as expenses in the relevant expense line items. The amounts disclosed represent the cost of providing these services and include employee expenses and other direct costs incurred by CMTEDD. Therefore, the figures included in this note are disclosures only and the total Resources Provided Free of Charge does not appear as a separate line item in the Operating Statement. The following services are provided by CMTEDD to ACT Government agencies free of charge:

Shared Services

ACT Government agencies are required by the ACT Government to use Shared Services which is part of CMTEDD for its financial and HR processing. Given Shared Services is directly appropriated by the ACT Government to provide certain services at a fixed cost including charges for related ICT systems to other agencies, it means these agencies do not have to pay for these services. Charges associated with the Human Resource Information Management system support was transferred to Digital Canberra from 1 July 2025.

Procurement ACT

Procurement ACT is part of CMTEDD and provides procurement advice, support and services to ACT Government agencies free of charge. Procurement ACT is directly appropriated to provide these services across the ACT Government and as such, agencies are required to use these services.

Professional Standards Unit (PSU)

The PSU is part of CMTEDD and provides investigation services regarding misconduct and other complaints relating to employees across the ACT Public Service. In addition to investigating complaints, PSU, through the office of the Public Sector Standards Commissioner also advises the Chief Minister on matters arising from investigations conducted. Given PSU is directly appropriated by the ACT Government to provide certain services at a fixed cost to other agencies, it means these agencies do not have to pay for these services.

Territory Records Office (TRO)

TRO is part of CMTEDD and provides record management services to ACT Government agencies free of charge. TRO is directly appropriated to provide these services across the ACT Government and as such, agencies are required to use these services.

Digital, Data and Technology Solutions (DDTS)

The DDTS previously provided information and communication technology (ICT) services to ACT Government agencies. DDTS was directly appropriated to provide these ICT services to agencies and as such they received these services free of charge. DDTS was transferred to Digital Canberra from 1 July 2025.

Work Safety Group

Work Safety Group within CMTEDD provides injury management and return to work services to ACT Government agencies. Work Safety Group is directly appropriated by the ACT Government to provide these services and as such agencies receive these services free of charge.

	2026 \$'000	2025 \$'000
Resources Provided Free of Charge		
Digital, Data and Technology Solutions ¹	-	127,021
Shared Services ²	36,391	43,649
Procurement ACT	3,308	2,816
Professional Standards Unit	3,028	2,854
Injury Management	4,139	4,121
Territory Records Office	1,619	1,426
Total Resources Provided Free of Charge	48,485	181,887

¹ The decrease is due to the transfer of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

² The decrease is largely due to the transfer of Human Resource Information Management System and its costs to Digital Canberra.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

ASSET NOTES

NOTE 12. CASH AND CASH EQUIVALENTS

CMTEDD holds a number of bank accounts with Westpac Banking Corporation as part of the whole of government banking arrangements. As part of these arrangements, CMTEDD does not generally receive any interest on these accounts as they are held as set-off accounts.

Cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in cash and cash equivalents in the Statement of Cash Flows but not in the cash and cash equivalents line on the Balance Sheet.

CMTEDD holds cash balances for:

- general operations - which includes working capital for CMTEDD;
- salary packaging - which is funding received and disbursed for ACT Government employees on their behalf (the corresponding liability to these accounts is included in Other Liabilities); and
- salaries - which represents payroll funding received from and dispersed on behalf of ACT Government directorates and agencies to their employees.
- Sustainable Household Scheme Trust Account (SHS) – which includes cash float held by the SHS Securitised Trust Account to be used for SHS loan settlements.

	2026 \$'000	2025 \$'000
(a) Current Cash		
Cash on Hand	4	4
Cash at Bank		
- Operating Cash ^{1, 2}	55,325	78,174
- Salary Packaging Account	341	557
- Salaries Account	1,237	1,292
- Sustainable Household Scheme Trust Account ²	7,921	15,232
Total Current Cash	64,828	95,259
Total Cash and Cash Equivalents	64,828	95,259

¹ The decrease in operating cash reflects the transfer of the Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) and Access Canberra to the City and Environment Directorate (CED) under the *Administrative Arrangements 2025 (No. 1)*, with the associated cash balances transferred accordingly. Further details are provided in Note 18 Restructure of Administrative Arrangements.

² Monies held in the Sustainable Household Scheme Trust has been separately classified. Prior year amount has been restated from Operating Cash to improve comparability to readers of the financial statements.

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For the Year Ended 30 June 2026

NOTE 12. CASH AND CASH EQUIVALENTS - CONTINUED

	2026 \$'000	2025 \$'000
(b) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet		
Total Cash and Cash Equivalents Recorded in the Balance Sheet	64,828	95,259
Cash at the End of the Reporting Period as Recorded in the Statement of Cash Flows	64,828	95,259
(c) Reconciliation of Operating Result to Net Cash Inflows from Operating Activities		
Operating Result	(6,388)	(45,067)
Add/(Less) Non-Cash Items		
Depreciation of Property, Plant and Equipment and Amortisation of Intangibles	13,906	44,686
Net Operating Assets/Liabilities Transferred due to Administrative Restructure	46,810	(233)
Net Effect of Correction Prior Year Error	(1,276)	(1,666)
Net Concessional Interest Expense on Sustainable Household Scheme (SHS) Loans	(2,662)	3,630
Impairment (Gains) on Receivables and Waivers	(141)	(1,258)
Asset Impairment, Transfers, Sales and Other Retirements	612	(184)
Increase in General Provision related to SHS Loans	976	(1,526)
Miscellaneous	157	116
Add/(Less) Items Classified as Investing or Financing		
Issue of SHS Loans	36,446	39,832
Proceeds from Repayment of Loans including SHS	(31,956)	(29,757)
Receipt of Transferred Cash Balances for SHS	-	(5,060)
Cash Before Changes in Operating Assets and Liabilities	56,484	3,513
Changes in Operating Assets and Liabilities		
(Increase) in Receivables	(2,002)	(5,752)
(Increase)/Decrease in Contract Assets	14,906	(905)
(Increase)/Decrease in Inventories	758	(10)
Decrease in Other Assets	16,600	24,897
(Decrease) in Payables	(7,889)	(3,743)
Increase/(Decrease) in Contract Liabilities	(11,349)	354
Increase/(Decrease) in Provisions	(2,546)	1,904
Increase/(Decrease) in Employee Benefits	(60,202)	18,622
Increase/(Decrease) in Other Liabilities	(8)	788
Net Changes in Operating Assets and Liabilities	(51,732)	36,155
Net Cash Inflows from Operating Activities	4,752	39,668

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NOTE 12. CASH AND CASH EQUIVALENTS - CONTINUED

Reconciliation of Liabilities Arising from Financing Activities

2026	Borrowings \$'000	Lease Liabilities \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	54	14,480	14,534
Cash Flow Changes:			
- Cash Paid	-	(553)	(553)
Non-Cash Changes:			
- New Leases	-	125	125
- Transfers to Other ACT Government Agencies due to Administrative Arrangements ¹	-	(13,375)	(13,375)
Carrying Amount at the End of the Reporting Period	54	677	731

2025			
Carrying Amount at the Beginning of the Reporting Period	83	3,706	3,789
Cash Flow Changes:			
- Cash Paid	(28)	(3,269)	(3,297)
Non-Cash Changes:			
- New Leases	-	14,637	14,637
- Other Movements	(1)	(594)	(595)
Carrying Amount at the End of the Reporting Period	54	14,480	14,534

¹ The decrease is due to the transfer of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

Chief Minister, Treasury and Economic Development Directorate
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NOTE 13. RECEIVABLES AND CONTRACT ASSETS

Trade and Other Receivables

Trade Receivables and Other Receivables are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. Receivables relating to the Sales of Goods and Services from Contracts with Customers are recognised when invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment.

Expected Credit Losses – Accounts Receivable

The allowance for expected credit losses represents the amount of Trade Receivables and Other Receivables and Contract Assets that CMTEDD estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. CMTEDD measures expected credit losses of a financial instrument in a way that reflects:

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

The amount of the expected credit loss is recognised in the Operating Statement (see Note 10 Other Expenses). Where CMTEDD has no reasonable expectation of recovering an amount owed by a debtor and ceases action to collect the debt, as the cost to recover the debt is more than the debt is worth, the debt is written-off by directly reducing the receivable against the loss allowance.

CMTEDD has applied the simplified approach under AASB 9 *Financial Instruments* for trade receivables and contract assets meaning that the allowance for expected credit losses of accounts receivables is based on the lifetime expected credit losses at each reporting date. CMTEDD has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Loss rates are calculated separately for Trade and Other Receivables as one group and Contract Assets as another group as the characteristics of these groups vary. The calculations reflect historical observed default rates calculated using credit losses experienced on past sales transactions during the three years preceding 30 June 2026. The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.

Inter-agency loans and receivables between ACT Government agencies are expected to have low credit risks. Consequently, the ACT Government policy is that receivables internal to the ACT Government are not assessed for credit losses.

Contract Assets

Contract assets relate to CMTEDD's right to consideration in exchange for works completed but not invoiced at the reporting date, largely in respect of records management services provided to ACT Government customers. The benefits of records management services are received and consumed by the customer of CMTEDD on a monthly basis. However, this amount is often invoiced in arrears, thereby resulting in CMTEDD recognising a contract asset at year end for services provided but not invoiced prior to 30 June 2026.

Previously, CMTEDD's contract assets largely consisted of ICT services provided by Digital, Data and Technology Solutions to ACT Government customers, which were transferred to and delivered by Digital Canberra as a result of the *Administrative Arrangements 2025 (No 1)*.

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NOTE 13. RECEIVABLES AND CONTRACT ASSETS - CONTINUED

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, CMTEDD presents the contract as a contract asset, unless CMTEDD's rights to that amount of consideration are unconditional, in which case a receivable is recognised.

Significant Accounting Judgements and Estimates – Expected Credit Loss Allowance

CMTEDD has made a significant estimate in the calculation of the allowance for impairment losses for receivables. This estimate is based on separate calculations for Trade and Other Receivables and Contract Assets as two distinct groups, and the use of an expected credit loss provision matrix. The separation of these groups is considered by management to be appropriate and accurate.

Loans Receivable

CMTEDD recognises loans receivable for the interest and principal owed from participants in the Sustainable Household Scheme (the Scheme or SHS), recipients of Special Disaster Loans (SDLs), and for loan facilities provided for the Home Loan Portfolio (HLP) which CMTEDD is the first mortgagee for all related properties.

On initial recognition, Loans Receivable are measured at their fair value. The difference between the loan's nominal value at the concessional rate (where applicable) and fair value at the market rate is recognised as a Concessional Loan Discount Expense. Subsequent to initial recognition, Loans Receivable are measured at amortised cost. CMTEDD is required to return repayments received from borrowers back to the Territory Bank Account as they are received.

In 2024-25, the SHS was securitised to mitigate risks and ensure continuity of the Scheme in the event that the loan facilitator (Brighte Capital Pty Ltd) become insolvent. Refer to Note 20 Securitisation Arrangements for more information on securitisation arrangements relating to the SHS.

In the 2025-26 Budget, the Government extended the SHS whilst also changing the interest rate from zero percent to three percent to be applied to all loans written from 1 July 2025. Refer to Note 19 Financial Instruments for more information on Loans Receivable.

Expected Credit Losses – Loans Receivable

CMTEDD has applied the general approach under AASB 9 *Financial Instruments* to measure credit losses for loan receivables.

Measurement of expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument, taking account of the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD), and includes a forward-looking macroeconomic assessment and overlays designed to reflect a probability-weighted outcome.

Under the general approach, expected credit losses are categorised through a three-stage process which is intended to reflect the deterioration in the credit quality of a financial instrument at the reporting date. This is broken into the following stages:

- **Stage 1** covers financial instruments for which there has not been a significant increase in credit risk (SICR) since initial recognition. For CMTEDD, this includes any loans which are less than 30 days in arrears. This measures the credit loss at the amount expected over the next 12 months
- **Stage 2** covers financial instruments for which there has been a SICR but where there is no objective evidence of impairment. For CMTEDD, this includes loans between 30 and 90 days in arrears consistent with the rebuttal assumption in AASB 9 *Financial Instruments*. This measures the lifetime expected credit loss.
- **Stage 3** covers financial assets that have objective evidence of impairment at the reporting date, assessed on an individual basis with reference to the specific circumstances of that financial asset. Objective evidence of impairment is generally taken to be 90 days past due or other indications of financial difficulty. This assumes these debts are in default and is calculated with reference to the Loss Given Default.

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NOTE 13. RECEIVABLES AND CONTRACT ASSETS - CONTINUED

Significant Accounting Judgements and Estimates – Sustainable Household Scheme Loans Receivable

CMTEDD has made significant estimates regarding the present value of SHS loans receivable. The present value of loans receivable is measured using a discounted cash flow model where future cash receipts are discounted at the prevailing market interest rate for a similar financial asset. Given that SHS loans are provided at a concessional interest rate, the prevailing market interest is calculated as the weighted average of three types of unsecured personal borrowing rates published monthly by the Reserve Bank of Australia and a substitute 0% or 3% Payment Plan product offered by Brighte Capital Pty Ltd.

	2026 \$'000	2025 \$'000
Current Receivables		
Trade Receivables	7,307	8,180
Less: Expected Credit Loss Allowance	(47)	(203)
Loans Receivable ¹	29,062	25,913
Less: Expected Credit Loss Allowance	(109)	(119)
Net GST Receivable from the Australian Taxation Office (ATO) ²	1,240	4,426
Other Current Receivables	422	671
Total Current Receivables	37,875	38,868
Current Contract Assets		
Work Performed on Contracts with Customers not yet Invoiced ²	2,445	17,369
Less: Expected Credit Loss Allowance	(8)	(18)
Total Current Contract Assets	2,437	17,351
Total Current Receivables and Contract Assets	40,312	56,219
Non-Current Receivables		
Loans Receivable ¹	106,819	103,872
Less: Expected Credit Loss Allowance	(483)	(538)
Total Non-Current Receivables	106,336	103,334
Total Receivables and Contract Assets	146,648	159,553
Reconciliation of Contract Assets		
Opening Balance of Contract Assets	17,351	16,446
Add: Additional Cost to be Recovered from Customers	2,676	17,600
Less: Contract Assets Transferred to Receivables and/or Income	(254)	(16,694)
Less: Contract Assets Transferred due to Administrative Restructure	(17,346)	-
Add: Expected Credit Loss Allowance movement	10	(1)
Closing Balance of Contract Assets	2,437	17,351

¹ The increase is mainly due to new loans issued for the SHS during the year.

² The decrease is mainly due to the transfer of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra and Access Canberra to the City and Environment Directorate (CED) under the *Administrative Arrangements 2025 (No 1)*.

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NOTE 13. RECEIVABLES AND CONTRACT ASSETS - CONTINUED

Expected Credit Loss Allowance

Ageing of Non-ACT Government Trade Receivables and Contract Assets ¹

	Trade Receivables			Contract Assets		
	Estimated total gross carrying amount \$000	Expected credit loss Allowance \$000	Expected credit loss rate %	Estimated total gross carrying amount \$000	Expected credit loss Allowance \$000	Expected credit loss rate %
30 June 2026						
Not Overdue	1,188	(10)	0.88%	880	(8)	0.88%
1-30 Days Past Due	231	(4)	1.70%	-	-	-
31-60 Days Past Due	86	(3)	3.37%	-	-	-
61-90 Days Past Due	16	(1)	7.17%	-	-	-
>91 Days Past Due	159	(29)	17.13%	-	-	-
Total	1,680	(47)	2.80%	880	(8)	0.88%
30 June 2025						
Not Overdue	1,240	(22)	1.77%	978	(18)	1.84%
1-30 Days Past Due	1,582	(49)	3.10%	-	-	-
31-60 Days Past Due	89	(5)	5.62%	-	-	-
61-90 Days Past Due	13	(1)	7.69%	-	-	-
>91 Days Past Due	715	(126)	17.62%	-	-	-
Total	3,639	(203)	5.58%	978	(18)	1.84%

¹ This includes non-ACT Government trade and other receivables and contract assets only. Inter-agency loans and receivables between ACT Government agencies are considered low risk and are not assessed for credit losses.

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Notes to and Forming Part of the Financial Statements
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NOTE 13. RECEIVABLES AND CONTRACT ASSETS - CONTINUED

Expected Credit Loss Allowance

Ageing of Non-ACT Government Loans Receivable

	Sustainable Household Scheme			Special Disaster Loans ¹			Home Loan Portfolio		
	Estimated total gross carrying amount	Expected credit loss Allowance	Expected credit loss rate	Estimated total gross carrying amount	Expected credit loss Allowance	Expected credit loss rate	Estimated total gross carrying amount	Expected credit loss Allowance	Expected credit loss rate
	\$000	\$000	%	\$000	\$000	%	\$000	\$000	%
30 June 2026									
Stage 1	135,060	(474)	0.35%	326	-	0%	49	-	0.88%
Stage 2	290	(12)	4.09%	-	-	-	-	-	-
Stage 3	138	(104)	75.51%	-	-	-	18	(2)	10.22%
Total	135,488	(590)	0.44%	326	-	0%	67	(2)	3.45%
30 June 2025									
Stage 1	129,200	(597)	0.46%	401	-	0%	63	(1)	1.59%
Stage 2	38	(2)	5.26%	-	-	-	-	-	-
Stage 3	69	(55)	79.71%	-	-	-	13	(2)	15.38%
Total	129,307	(654)	0.51%	401	-	0%	76	(3)	3.95%

¹ CMTEDD's Special Disaster Loans receivables have no history of default, so it is not possible to reliably estimate the probability of future expected credit losses.

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Notes to and Forming Part of the Financial Statements
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NOTE 13. RECEIVABLES AND CONTRACT ASSETS - CONTINUED

	2026 \$'000	2025 \$'000
Reconciliation of the Loss Allowance		
Accounts Receivable		
Expected Credit Loss Allowance at the Beginning of the Reporting Period	(203)	(138)
Reduction in Allowance from Amounts Transferred out due to Administrative Arrangements	5	-
Expected Credit Loss Expense	151	(65)
Expected Credit Loss Allowance at the End of the Reporting Period	(47)	(203)

Contract Assets		
Expected Credit Loss Allowance at the Beginning of the Reporting Period	(18)	(17)
Reduction in Allowance from Amounts Transferred out due to Administrative Arrangements	10	(1)
Expected Credit Loss Allowance at the End of the Reporting Period	(8)	(18)

Loans Receivable		
Expected Credit Loss Allowance at the Beginning of the Reporting Period	(657)	(1,998)
Reduction in Allowance from Amounts Written off During the Reporting Period	79	14
Expected Credit Loss Expense ¹	(14)	1,327
Expected Credit Loss Allowance at the End of the Reporting Period	(592)	(657)

¹ The gain in 2024-25 was due to a revision to the methodology used to estimate expected credit losses related to the Sustainable Household Scheme, resulting in a lower loss allowance for loans receivable.

Reconciliation of Loans Receivable to Nominal Loans Receivable

Nominal Value of Loans Receivable relating to SHS	166,153	161,516
Nominal Value of Other Loans ²	393	477
Less: Concessional Discount	(30,631)	(32,317)
Less: Other Adjustments	(34)	109
Estimated Total Gross Carrying Amount	135,881	129,785
Less: Expected Credit Loss Allowance	(592)	(657)
Total Loans Receivable	135,289	129,128

² Other Loans include Special Disaster Loans and Home Loan Portfolio.

Chief Minister, Treasury and Economic Development Directorate
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NOTE 14. PROPERTY, PLANT AND EQUIPMENT

CMTEDD has the following nine classes of Property, Plant and Equipment (excluding assets held for sale or investment properties):

- **Land** is defined as the ground, including the soil covering, land under roads and railway lines, and any associated surface waters. Land incorporates the vegetation on the land and earthworks associated with that vegetation. Land includes CMTEDD land under infrastructure but excludes land held as heritage and community assets (e.g. land under forests) and land held as inventory.
- **Buildings** are structures that have a roof and walls which stand permanently in one place. These structures are separately identifiable from the land they are constructed upon and as such do not include this land. Buildings include pavilions, amenity blocks, and buildings at several sites including the Exhibition Park in Canberra (EPIC), Manuka Oval and Stromlo Forest Park.
- **Right of Use Buildings** which were leased structures and land improvements that are separately identifiable from the land they are constructed upon and included the CMTEDD data centres. These were transferred to Digital Canberra as part of *Administrative Arrangements 2025 (No 1)* from 1 July 2025.
- **Leasehold Improvements** represents capital expenditure incurred in relation to leased assets. These include fit-outs of leased buildings.
- **Plant and Equipment** are tangible assets like machinery, apparatus, appliances, containers, implements or tools that are used to produce goods or assist in providing services to the community. Plant and Equipment are assets that are used directly by the agency rather than directly by the general community. Plant and Equipment tend to be smaller and more mobile in nature than other types of property, plant and equipment like buildings, roads and land. Plant and Equipment includes mobile plant, water tanks, air conditioning and heating systems, catering equipment, grounds and maintenance equipment, office, computer equipment, furniture and fittings, other mechanical and electronic equipment.
- **Right of Use Plant and Equipment** has the same definition as plant and equipment, with the exception that they are held under a lease. Right-of-use Plant and Equipment held by CMTEDD includes motor vehicles.
- **Heritage and Community.** Heritage assets refer to assets that have unique cultural, historical, geographical, scientific, and/or environmental attributes and that the Government intends to preserve indefinitely because of those attributes. The intention of Government to preserve an asset indefinitely is demonstrated by its inclusion on the ACT Heritage Register. In addition, all Aboriginal places and objects are considered to be heritage assets regardless of whether or not they are on the ACT Heritage Register. Therefore, where an asset is included on the Register or it is an Aboriginal place and object, it will be disclosed as a heritage asset, unless the asset also has a functional use. Heritage assets typically have restrictions on their use, are irreplaceable and have long and sometimes unlimited useful lives. Community assets are those assets that are provided primarily for general community use or service. Typically, these assets are used directly by the public for recreational purposes rather than used directly by CMTEDD. Heritage and Community assets held by CMTEDD include various public artworks around Canberra developed and maintained by artsACT and forests located at the National Arboretum Canberra.
- **Infrastructure Assets** are physical assets that typically have a long useful life and consist of a complex interconnected network of individual components, which enhance the productive capacity of the economy and supports Government services. Buildings do not meet the definition of infrastructure assets unless they are an ancillary part of an infrastructure system. Infrastructure assets held by CMTEDD include data network infrastructure assets, data centre equipment and a range of assets utilised for Whole of Government data storage and applications management, site improvements, irrigation systems, lighting systems, car parks, fences, tracks and trails. Land under infrastructure is not included in infrastructure assets, however, when owned by CMTEDD, it is included in land assets. ICT infrastructure was transferred to Digital Canberra as part of *Administrative Arrangements 2025 (No 1)* from 1 July 2025.

Chief Minister, Treasury and Economic Development Directorate
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NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

- **Capital Works in Progress (CWIP)** is property, plant and equipment that is in the process of being constructed and as such is not yet in use or available for use. That is, CWIP is property, plant and equipment which is not in a location and condition necessary for it to be capable of operating in a manner intended by management. CWIP held by CMTEDD includes buildings, leasehold improvements and infrastructure under construction.

Property, Plant and Equipment does not include assets held for sale or investment property.

Acquisition and Recognition

Property, plant and equipment is initially recorded at cost which comprises its purchase price, any directly attributable costs and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Where property, plant and equipment is acquired at no cost, or nominal cost, cost is its fair value as at the date of acquisition. However, property, plant and equipment acquired at no cost or minimal cost as part of a restructuring of Administrative Arrangements is measured at the transferor's book value.

For right-of-use assets, cost comprises the initial amount of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

Capital works in progress are recognised at the time the construction activity occurs. These assets are measured at the cost of constructing the asset. The cost includes direct construction costs (e.g. direct materials and direct labour), and 'directly attributable' costs in bringing the asset to a location and condition ready for use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Directly attributable costs included in capital works in progress by CMTEDD are the cost of site preparation, initial delivery and handling costs of materials, installation and assembly costs, functional testing and professional fees.

Property, Plant and Equipment with a value equal to or higher than the relevant thresholds are capitalised:

Asset Class	Capitalisation Threshold
Land	\$5,000
Buildings	\$50,000
Right-Of-Use Buildings	\$50,000
Leasehold Improvements	\$10,000
Plant and Equipment	\$10,000
Right-Of-Use Plant and Equipment	\$10,000
Infrastructure Assets	\$50,000
Heritage and Community Assets - Land	\$10,000
Heritage and Community Assets - Non-Land	\$5,000
CWIP	\$1

Measurement after Initial Recognition

Property, plant and equipment is measured using the cost or revaluation model of valuation. CMTEDD measures land, buildings, heritage and community assets, and infrastructure assets at fair value.

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

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NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Major Cyclical Maintenance

CMTEDD undertakes major cyclical maintenance on its assets. Where the maintenance leads to an upgrade increasing the service potential of the existing asset, the cost is recognised as an asset.

Revaluation

Land, buildings, infrastructure assets, and heritage and community assets are revalued every three years. Towards the end of each financial year CMTEDD assesses whether there are any 'indicators' that the carrying amount of property, plant, and equipment is materially different to fair value. Where these indicators exist, the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to buildings, infrastructure and heritage and community assets at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Valuation of Non-Current Assets

CMTEDD carries out asset revaluations on all assets carried at fair value on a three-year rolling basis.

For 2025-26, CMTEDD conducted a revaluation of Land, Buildings, Infrastructure, Heritage and Community assets relating to its major venues and the National Arboretum Canberra. Jones Lang LaSalle Advisory Services Pty Ltd independent valuers were engaged to perform the revaluations. All valuers hold a recognised and relevant qualification and have recent and relevant experience with the classes of assets involved. The latest valuation of assets was performed as at 30 June 2026.

Significant Accounting Judgements and Estimates – Estimation of Asset Values

CMTEDD has made a significant estimate regarding the fair value of its property, plant and equipment. Land and buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. Infrastructure assets and some heritage and community assets have been recorded at fair value based on current replacement cost as determined by an independent valuer. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

Impairment of Assets

At each reporting date, CMTEDD assesses whether there is any indication of impairment for assets that are held at cost subsequent to initial recognition and for non-specialised PPE measured at fair value subsequent to initial recognition. Property, plant, and equipment is also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any resulting impairment losses, relating to non-specialised land and buildings, are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets. This is because these asset classes contain non-specialised assets that are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance of the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement (see Note 10 Other Expenses).

Impairment losses for plant and equipment and leasehold improvements are recognised in the Operating Statement (see Note 10 Other Expenses), as both are carried at cost.

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

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NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Depreciation and Useful Life

Depreciation is the systematic allocation of the cost of an asset less its residual value over its useful life. Depreciation commences when property, plant and equipment is ready for its intended use.

Depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment.

Land, and some heritage and community assets have an unlimited useful life and are therefore not depreciated. The vegetation on the land and earthworks associated with that vegetation have been assessed as having an unlimited useful life and are therefore also not depreciated.

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

Capital Works in Progress (CWIP) are not depreciated as CMTEDD is not currently deriving any economic benefits from them.

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

Depreciation for Property, Plant and Equipment is determined as follows:

Class of Asset	Depreciation Method	Useful Life (Years)
Land	Not Applicable	Infinite
Buildings	Straight Line	1-60
Leasehold Improvements	Straight Line	1-99
Plant and Equipment	Straight Line	1-100
Heritage and Community	Straight Line	1-100
Infrastructure	Straight Line	1-100

Significant Accounting Judgements and Estimates - Estimation of Useful Lives of Property, Plant and Equipment

CMTEDD has made a significant estimate in determining the useful lives of its Property, Plant and Equipment, which is based on the historical experience of similar assets and in some cases has been based on valuations provided by the independent valuer. The useful lives are assessed on an annual basis and adjustments are made when necessary.

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NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of 2025-26 Property, Plant and Equipment

	Land \$'000	Buildings \$'000	ROU Buildings Plant and Equipment \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Heritage and Community \$'000	Infrastructure Assets \$'000	Capital Works in Progress \$'000	Total \$'000
Carrying Amounts at the Beginning of the Reporting Period	51,325	102,338	14,175	15,542	59,031	45,711	50,113	45,465	383,700
Acquisition/(Disposal) through Administrative Restructuring ¹	-	-	(13,135)	(8,079)	(41,834)	1,134	(21,381)	(8,848)	(92,143)
Additions	-	-	-	53	355	-	-	15,856	16,264
Additions - Right-of-Use Assets	-	-	125	-	-	-	-	-	125
Capital Works in Progress Completed and Transferred to another class of Property, Plant and Equipment ²	-	6,951	-	2,419	1,556	965	4,632	(16,523)	-
Disposals	-	(416)	-	-	(15)	(6)	(1)	-	(438)
Disposals - Right-of-Use Assets	-	-	(78)	-	-	-	-	-	(78)
Revaluation Increment ³	1,000	14,895	-	-	-	2,383	2,862	-	21,140
Depreciation	-	(3,255)	(534)	(769)	(2,197)	(305)	(1,955)	-	(9,015)
Write-offs Recognised in the Operating Result	-	-	-	-	-	-	-	(749)	(749)
Increase in Make Good Provision	-	-	-	399	-	-	-	-	399
Other Movements ⁴	-	(734)	-	(880)	(95)	(1,335)	3,044	20	20
Carrying Amount at the End of the Reporting Period	52,325	119,779	553	8,685	16,801	48,547	37,314	35,221	319,225
Carrying Amount at the End of the Reporting Period, represented by:									
Gross Book Value	52,325	121,690	2,484	14,122	34,630	48,703	38,179	35,221	347,354
Accumulated Depreciation and	-	(1,911)	(1,931)	(5,437)	(17,829)	(156)	(865)	-	(28,129)
Carrying Amount at the End of the Reporting Period	52,325	119,779	553	8,685	16,801	48,547	37,314	35,221	319,225

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NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

- ¹ These movements mainly relate to the transfer of Access Canberra to City and Environment Directorate (CED) and DDTS to Digital Canberra under the *Administrative Arrangements (No.1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.
- ² These movements mainly reflect the practical completion of several capital works projects, including Exhibition Park in Canberra (EPIC) Fitzroy Pavilion Upgrades (\$4.4 million), Stromlo Forest Park (SFP) Carpark Upgrades (\$3.2 million), GIO Stadium Upgrades (\$2.7 million), and Manuka Oval Upgrades (\$2.3 million).
- ³ These movements are due to the net impact of the 2026 valuation of land, buildings and improvements to land, infrastructure and heritage and community assets.
- ⁴ Other movements mainly relate to corrections of asset classes.

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Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of 2024-25 Property, Plant and Equipment

			ROU Buildings					Capital	
	Land	Buildings	Plant and	Leasehold	Plant and	Heritage and	Infrastructure	Works in	Total
	\$'000	\$'000	Equipment	Improvements	Equipment	Community	Asset	Progress ⁶	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amounts at the Beginning of the Reporting Period	76,783	136,417	3,481	17,825	63,252	88,999	40,809	24,997	452,563
(Disposal) through Administrative Restructuring ¹	(24,069)	(39,171)	-	-	(1,644)	(41,347)	(37)	(9,087)	(115,355)
Additions ²	-	-	-	132	11,474	-	4,493	25,496	41,595
Additions - Right-of-Use Assets ³	-	-	14,349	-	-	-	-	-	14,349
Capital Works in Progress and Transferred to another class of Property, Plant and Equipment ⁴	-	2,112	-	-	2,434	390	11,884	(16,820)	-
Disposals	-	(10)	-	-	(147)	(236)	-	-	(393)
Disposals - Right-of-Use Assets	-	-	(15)	-	-	-	-	-	(15)
Revaluation Increment/(Decrement)	(1,389)	5,641	-	-	-	17	-	-	4,269
Depreciation	-	(4,011)	(3,640)	(2,515)	(16,338)	(752)	(7,036)	-	(34,292)
Write-offs Recognised in the Operating Result	-	-	-	-	-	-	-	(397)	(397)
Increase/(Decrease) in Make Good Provision	-	-	-	100	-	-	-	-	100
Other Movements ⁵	-	1,360	-	-	-	(1,360)	-	21,276	21,276
Carrying Amount at the End of the Reporting Period	51,325	102,338	14,175	15,542	59,031	45,711	50,113	45,465	383,700
<hr/>									
Carrying Amount at the End of the Reporting									
Gross Book Value	51,325	172,898	223,038	43,250	198,383	48,882	97,064	45,465	880,305
Accumulated Depreciation and	-	(70,560)	(208,863)	(27,708)	(139,352)	(3,171)	(46,951)	-	(496,605)
Carrying Amount at the End of the Reporting Period	51,325	102,338	14,175	15,542	59,031	45,711	50,113	45,465	383,700

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

- ^{1.} These movements mainly relate to the transfer of Community Arts Facilities to Infrastructure Canberra resulting from the restructure of *Administrative Arrangements 2024 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.
- ^{2.} These movements mainly relate to the purchase of ICT equipment, and devices for use across the ACT Government.
- ^{3.} These movements mainly relate to the new building right of use lease for Digital, Data and Technology Solutions Data Centres.
- ^{4.} These movements mainly relate to the completion of capital projects relating to the former Transport Depot Remediation, Gorman House Arts centre and Internet Protocol Television System.
- ^{5.} Other movements mainly relate to transfers between asset classes to improve consistency and transparency of reporting.
- ^{6.} In last year's financial statements this note included a separate 'Reconciliation of Capital Works in Progress' and a 'Reconciliation of Capital Works in Progress Amount from the Notes to the Amount on the Face of the Balance Sheet'. However, in this year's financial statements both reconciliations have been removed given the Capital Works in Progress line item on the face of the Balance Sheet has been removed and a Capital Works in Progress column has been added to the 'Reconciliation of Property, Plant and Equipment' above.

	2026	2025
	\$'000	\$'000
Reconciliation of Depreciation and Amortisation Amounts from the Notes to the Amount on the Face of the Operating Statement		
Depreciation Expense (from Note 14 Property, Plant and Equipment above)	9,015	34,696
Amortisation Expense (from Note 15 Intangible Assets)	4,891	9,991
Total Depreciation and Amortisation Expense on the Operating Statement	13,906	44,687

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining their fair value. The Fair Value Hierarchy is made up of the following three levels.

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

Details of CMTEDD's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June 2026 and 30 June 2025:

30 June 2026	Classification According to the Fair Value Hierarchy		
	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Property, Plant and Equipment at Fair Value			
Land	20,625	31,700	52,325
Buildings	38,837	80,942	119,779
Heritage and Community	-	48,547	48,547
Infrastructure		37,314	37,314
Total Property, Plant and Equipment at Fair Value	59,462	198,503	257,965

30 June 2025			
Property, Plant and Equipment at Fair Value			
Land	46,085	5,240	51,325
Buildings	39,914	62,424	102,338
Heritage and Community	11,760	33,951	45,711
Infrastructure	-	28,767	28,767
Total Property, Plant and Equipment at Fair Value	97,759	130,382	228,141

Significant Accounting Judgements and Estimates - Fair Value of Assets

CMTEDD has made a significant judgement regarding the fair value of its assets. The fair value of land is measured using market prices for similar land in a similar location and condition. For territorial Land Rent Scheme land, the revaluations undertaken each year for rating purposes are used as fair values (refer Note 36 Property - Territorial).

Property, plant and equipment have been recorded at fair value based on a combination of market value and current replacement cost as determined by an independent valuer. Market value seeks to determine the current value of an asset by reference to recent comparable transactions involving the sale of similar assets. Significant estimates have been applied where the market evidence is not exactly the same as the asset. Adjustments are made, either up or down, to estimate what the comparable asset would have been sold for if it had the same characteristics as the asset being valued. This leads to an indication of the most probable selling price. Significant judgements and estimates are used in estimating current replacement cost in determining the fair value, including the best use of the asset along with due consideration to any functional obsolescence factors affecting the existing asset. The fair value of assets is subject to management assessment between formal valuations.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Transfers Between Classes

There were transfers between asset classes during 2025-26. Details of these are disclosed as other movements in the Reconciliation of 2025-26 Property, Plant and Equipment.

Transfers Between Categories

Exhibition Park and Manuka Oval Land were transferred from Level 2 to Level 3 during 2025-26. Refer to Fair Value Measurements using Significant Unobservable Inputs (Level 3) in the following page for the amounts transferred.

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: Some land and buildings are valued using the market approach that reflects recent transaction prices for similar land and buildings (comparable in location and size).

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

Level 3 Valuation Techniques and Significant Unobservable Inputs

Land and Buildings

Valuation Technique: Land is valued using the market approach adjusted to reflect the specialised nature of the land being valued, where applicable. Buildings is valued using direct comparison method of sales of similar properties researched, analysed and compared to each building.

Significant Unobservable Inputs: Selecting land with similar approximate utility. In determining the value of land with similar approximate utility, significant adjustment to market-based data was required.

Other Property, Plant and Equipment

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

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

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

Current Use of Assets

The current use of CMTEDD's property, plant and equipment (PPE) is at the highest and best level in meeting CMTEDD's objectives in providing services to the public. Due to their purposeful designs and specialised nature, these assets are unlikely to be repurposed.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

			Heritage and		
	Land	Buildings	Community	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2026					
Fair Value at the Beginning of the Reporting Period	5,240	62,424	33,951	28,767	130,382
Acquisitions through Administrative Restructuring	-	-	1,134	-	1,134
Completed assets Transferred in from Capital Works in Progress	-	6,951	965	4,632	12,548
Disposals	-	(416)	(6)	(1)	(423)
Assets reclassified (to)/from the Level 2 Fair Value Hierarchy	26,300	-	11,760	-	38,060
Revaluation Increment	160	14,895	2,383	2,862	20,300
Depreciation	-	(3,255)	(305)	(1,955)	(5,515)
Other Movements	-	343	(1,335)	3,009	2,017
Fair Value at the End of the Reporting Period	31,700	80,942	48,547	37,314	198,503
2025					
Fair Value at the Beginning of the Reporting Period	5,240	136,417	77,239	29,804	248,700
(Disposals) through Administrative Restructuring	-	(39,171)	(41,347)	(37)	(80,555)
Additions	-	-	-	5,487	5,487
Completed assets Transferred in from Capital Works in Progress	-	2,111	390	549	3,050
Disposals	-	(10)	(236)	-	(246)
Assets reclassified (to)/from the Level 2 Fair Value Hierarchy	-	(39,913)	-	-	(39,913)
Revaluation Increment/(Decrement)	-	5,641	17	-	5,658
Depreciation	-	(4,011)	(752)	(7,036)	(11,799)
Other Movements	-	1,360	(1,360)	-	-
Fair Value at the End of the Reporting Period	5,240	62,424	33,951	28,767	130,382

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 15. INTANGIBLE ASSETS

CMTEDD has internally generated software, externally purchased software and software works in progress. The internally generated software consists of the Oracle Government Financial System and the Valuation Office IT Modernisation, while externally purchased software mainly consists of Territory Revenue Software (TREV). The internally generated software in the prior year also consisted of the ACT Digital Account and Services and iConnect Digital Platform. These were transferred as part of transfer of the Digital, Data and Technology Solutions Division to Digital Canberra under the *Administrative Arrangements 2025 (No 1)*.

Software Works in Progress is software that is in the process of being developed and as such is not yet in use or available for use. That is, software which is not in a location and condition necessary for it to be capable of operating in a manner intended by management. Software Works in Progress does not include Property, Plant and Equipment and Capital Works in Progress.

Recognition

Externally acquired software is recognised and capitalised when:

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

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

Software Works in Progress is recognised at the time the software is being built.

Measurement

Intangible Assets are measured at cost which comprises its purchase price and any directly attributable costs of preparing the asset for its intended use.

Software Works in Progress is measured at the cost of constructing the asset. The cost includes direct construction costs (e.g. direct materials and direct labour), and 'directly attributable' costs in bringing the asset to a location and condition ready for use. 'Directly attributable' costs included in Software Works in Progress by CMTEDD are the cost of initial delivery, installation, configuration and functional testing, and professional fees.

Where intangible assets are acquired at no cost, or minimal cost, its cost is its fair value as at the date of acquisition. However, intangible assets acquired at no or minimal cost as part of a restructuring of Administrative Arrangements is measured at the transferor's book value.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 15. INTANGIBLE ASSETS - CONTINUED

Amortisation

Capitalised software and other intangibles have a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 10 years. Amortisation commences when intangible assets are ready for their intended use.

Impairment

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

Impairment losses for intangible assets are recognised in the Operating Statement (see Note 10 Other Expenses) as intangibles are carried at cost. The carrying amount of the intangible asset is reduced to its recoverable amount.

Amortisation for intangible assets is determined as follows.

Class of Asset	Amortisation Method	Useful Life (Years)
Internally Generated Software	Straight Line	2 - 10
Externally Purchased Software	Straight Line	2 - 10

	Internally Generated Software \$'000	Externally Purchased Software \$'000	Software Works in Progress \$'000	Total \$'000
Reconciliation of 2025-26 Intangible Assets				
Carrying Amount at the Beginning of the Reporting Period	20,347	16,754	26,234	63,335
(Disposal) through Administrative Restructuring ¹	(18,618)	(5,678)	(19,105)	(43,401)
Additions	-	103	5,477	5,580
Software Works in Progress Completed and Transferred to another class of Intangible Assets ²	6,935	694	(7,629)	-
Amortisation	(578)	(4,313)	-	(4,891)
Works in Progress Expensed in the Operating Result	-	-	(149)	(149)
Other Movements	(1,729)	1,729	(20)	(20)
Carrying Amount at the End of the Reporting Period	6,357	9,289	4,808	20,454
Represented by:				
Gross Book Value	12,651	54,040	4,808	71,499
Accumulated Amortisation	(6,294)	(44,751)	-	(51,045)
Carrying Amount at the End of the Reporting Period	6,357	9,289	4,808	20,454

¹ These movements mainly relate to the transfer of Access Canberra to City and Environment Directorate (CED) and DDTS to Digital Canberra under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

² This movement mainly reflects the completion of Valuation Office IT Modernisation project (\$5.2 million) and Short Term Accommodation Rental (STAR) self-service portal (\$1.2 million).

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 15. INTANGIBLE ASSETS - CONTINUED

	Internally Generated Software \$'000	Externally Purchased Software \$'000	Software Works in Progress ³ \$'000	Total \$'000
Reconciliation of 2024-25 Intangible Assets				
Carrying Amount at the Beginning of the Reporting Period	23,919	16,913	37,763	78,595
Additions	-	-	18,430	18,430
Software Works in Progress Completed and Transferred to another class of Intangible Assets ¹	-	6,260	(6,260)	-
Amortisation	(3,572)	(6,419)	-	(9,991)
Write-offs Recognised in the Operating Result	-	-	(595)	(595)
Other Movements ²	-	-	(21,388)	(21,388)
Capital Works in Progress Expensed	-	-	(1,716)	(1,716)
Carrying Amount at the End of the Reporting Period	20,347	16,754	26,234	63,335
Represented by:				
Gross Book Value	55,276	86,379	26,234	167,889
Accumulated Amortisation	(34,929)	(69,625)	-	(104,554)
Carrying Amount at the End of the Reporting Period	20,347	16,754	26,234	63,335

¹ This movement mainly reflects the completion of upgrades to the Rego ACT system and the Public Sector Revenue Management platform.

² These movements reflect the correction of asset classes within CWIP, resulting in a \$17.2 million movement from Intangibles CWIP to PPE CWIP to more accurately reflect the nature of works in progress. Other Movements also includes the prior year correction of asset classes within CWIP, resulting in a \$4.2 million movement from Intangibles CWIP to PPE CWIP. These movements have nil impact on the overall carrying amount of CWIP.

³ In last year's financial statements this note included a 'Reconciliation of Intangible Assets from the Notes to the Amount on the Face of the Balance Sheet'. However, in this year's financial statements this reconciliation has been removed given the Capital Works in Progress line item on the face of the Balance Sheet has been removed and therefore the total amount of Intangible Assets in this note matches the amount included in the Intangible Asset line item included on the face of the Balance Sheet.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

LIABILITY NOTES

NOTE 16. PAYABLES AND CONTRACT LIABILITIES

Payables

Payables include Trade Payables, Accrued Expenses and Other Payables.

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 14 days after the invoice date given the ACT Government accelerated the payments of invoices for local enterprises recognising the importance of cash flow to small and medium enterprises.

Contract Liabilities

Contract liabilities relate to consideration received in advance from customers. CMTEDD's contract liabilities include charges associated with Rego ACT, Information and Communication Technology (ICT), and Event Venues and Sites. When an amount of consideration is received from a customer prior to transferring a good or service to the customer, the balance of the consideration which has not been transferred is presented as a contract liability.

Charges associated with Rego ACT have been transferred to the City and Environment Directorate and Charges related to ICT have been transferred to Digital Canberra from 1 July 2025 under the *Administrative Arrangements 2025 (No 1)*.

	2026	2025
	\$'000	\$'000
Current Payables and Contract Liabilities		
Current Payables		
Trade Payables ¹	3,150	7,738
Accrued Expenses ¹	10,996	15,667
Other Payables ²	4,670	3,301
Total Current Payables	18,816	26,706
Current Contract Liabilities		
Amounts Received Related to Contracts with Customers where the Performance Obligations have not yet been Satisfied ¹	2,678	14,049
Rent Received in Advance	111	89
Total Current Contract Liabilities	2,789	14,138
Total Current Payables and Contract Liabilities	21,605	40,844
Total Payables and Contract Liabilities	21,605	40,844

¹ The decrease is primarily due to the transfer of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) and Access Canberra to the City and Environment Directorate (CED) under the *Administrative Arrangements 2025 (No 1)*.

² The increase is mainly due to amounts payable to the Territory Banking Account relating to the transfer of funding from the Commonwealth for the upgrade of the Gorman House Arts Centre.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 16. PAYABLES AND CONTRACT LIABILITIES - CONTINUED

	2026 \$'000	2025 \$'000
Payables are aged as follows:		
Not Overdue	17,762	25,913
Overdue for Less than 30 Days	1,049	750
Overdue for 30 to 60 Days	2	26
Overdue for More than 60 Days	3	17
Total Payables	18,816	26,706
Reconciliation of Contract Liabilities		
Contract Liabilities at the Beginning of the Reporting Period	14,138	13,784
<i>Add:</i> Payments received for performance obligations that had not yet been completed	16,030	60,518
<i>Less:</i> Revenue Recognised for performance obligations which had been completed during the year	(17,671)	(60,164)
<i>Less:</i> Liabilities transferred to other agencies due to an Administrative Restructure	(9,708)	-
Contract Liabilities at the End of the Reporting Period	2,789	14,138

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 17. EMPLOYEE BENEFITS

Employee benefits are the accumulated entitlements relating to the employee expenses listed in Note 7 Employee Expenses.

Accrued Wages and Salaries

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

Annual and Long Service Leave

Annual and long service leave, including applicable on-costs that are not expected to be wholly settled before 12 months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption they will be wholly settled within three years.

In 2025-26 the rate used to estimate the present value of future payments for:

- annual leave is 98.0% (99.5% in 2024-25); and
- long service leave is 95.5% (100.1% in 2024-25).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of qualifying service (ie 7 years for employees under 55 years and 1 year for employees 55 years or older), the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and the applicable on-costs.

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

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

Superannuation Liability

The employer superannuation benefits payable to CMTEDD employees, who are members of the defined benefit CSS or PSS Schemes, are recognised in the financial statements of the Superannuation Provision Account.

Flextime Liability

Flextime is a mechanism which allows employees at certain classifications to accrue any hours worked in excess of standard working hours, up to a maximum of their standard weekly hours. This is similar to time-off-in-lieu provisions available in many workplaces.

The flextime liability is expected to be wholly settled within twelve months after the end of the reporting period, and as such is measured at nominal value based on the remuneration rates that CMTEDD expects to pay when the liability is settled. The flextime liability is classified as a current liability in the Balance Sheet as the agency does not have an unconditional right to defer the settlement of the liability for at least 12 months.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 17. EMPLOYEE BENEFITS - CONTINUED

Significant Accounting Judgements and Estimates

Significant judgements have been applied in estimating the annual and long service leave liabilities, given that CMTEDD uses the Whole of Government present value, probability and on-cost factors. These factors are issued by ACT Treasury and apply to all ACT Government Agencies. ACT Treasury organises an actuarial review to be undertaken every three years by the Australian Government Actuary to estimate each of these factors. The latest assessment was undertaken in December 2024 and early 2025, with the next review expected to be undertaken by late 2027.

Significant judgement has been applied in estimating the Flextime liability, using a Whole-of-Government 'Flextime Shorthand Method'. This shorthand method involves taking the total wages and salaries expense for eligible employees, and assumes they have a maximum flextime liability equivalent to an employee's normal weekly hours of duty. The maximum liability is used as flextime credits of up to an employee's normal weekly hours are required to be paid out upon the cessation of their employment in accordance with relevant Enterprise Agreements.

At the end of the 2025-26 financial year, CMTEDD had 1,405 Full Time Equivalent (FTE) staff. There were 2,753 FTE staff as of 30 June 2025.

	2026	2025
	\$'000	\$'000
Current Employee Benefits		
Annual Leave	24,940	46,468
Long Service Leave	34,417	62,267
Accrued Wages, Salaries and Superannuation	7,600	12,289
Flextime	3,265	6,068
Other Employee Benefits	26	103
Total Current Employee Benefits	70,248	127,195
Non-Current Employee Benefits		
Long Service Leave	3,983	7,236
Total Non-Current Employee Benefits	3,983	7,236
Total Employee Benefits ¹	74,231	134,431
Estimate of when Employee Benefits are Payable		
Estimated Amount Payable within 12 months		
Annual Leave	14,677	27,263
Long Service Leave	3,748	6,474
Accrued Wages, Salaries and Superannuation ¹	7,600	12,289
Flextime	3,265	6,068
Other Employee Benefits	26	103
Total Employee Benefits Payable within 12 months	29,316	52,197
Estimated Amount Payable after 12 months		
Annual Leave	10,263	19,205
Long Service Leave	34,652	63,029
Total Employee Benefits Payable after 12 months	44,915	82,234
Total Employee Benefits ¹	74,231	134,431

¹ The decrease is primarily due to the transfer of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) and Access Canberra to the City and Environment Directorate (CED) under the *Administrative Arrangements 2025 (No 1)*. Refer to Note 18 Restructure of Administrative Arrangements for more information.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

OTHER NOTES

NOTE 18. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

A restructure of Administrative Arrangements (AAs) is the reallocation or reorganisation of assets, liabilities, activities and responsibilities amongst the agencies 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 agencies.

AAs do not apply to the transfer of individual assets between agencies, but instead they involve the transfer of an integrated set of activities, mainly for the purpose of reducing overall costs or providing other economic benefits to the community. They involve a discrete function being transferred between agencies. As such, AAs often involve the transfer of appropriations, staff, bank accounts, assets and liabilities.

AA transfers are classified as contributions by/distribution to owners and as such are accounted for as an equity transfer. AA transfers are measured at the carrying value recorded by the transferor immediately prior to the transfer.

Restructure of Administrative Arrangements during 2025-26

Administrative Arrangements 2025 (No 1)

On 25 June 2025, the Administrative Arrangements 2025 (No 1) was signed taking effect on 1 July 2025 (Notifiable Instrument NI2025-350). The following administrative units and functions were transferred from 1 July 2025:

Digital, Data and Technology Solutions (DDTS)

The Whole of Government technology, digital and data policy and strategy (including investment framework, One Service – ICT Services, Cyber security and Chief Digital Officer functions) were transferred from CMTEDD to the newly formed Digital Canberra. This included the transfer of 639 staff.

Access Canberra and Better Regulation Taskforce

Access Canberra and Better Regulation Taskforce functions were transferred from CMTEDD to the newly formed City and Environment Directorate (CED). This included the transfer of 878 staff.

Office of LGBTIQA+ Affairs

LGBTIQA+ policy and programs function was transferred to the newly formed Health and Community Services Directorate. This included the transfer of 3 staff.

ACT Heritage Library

Preservation of and access to ACT documentary history (including the ACT Heritage Library) function was transferred from the former Transport Canberra and City Services Directorate to CMTEDD. This included transfer of 8 staff.

Administrative Arrangements 2025 (No 2)

On 19 December 2025, the Administrative Arrangements 2025 (No 2) was signed taking effect on 1 January 2026 (Notifiable Instrument NI2025-686). This superseded the previous arrangement under the Administrative Arrangements 2025 (No 1). The following administrative units and functions were transferred from 1 January 2026.

Affordable and Community Housing Policy

Responsibility for affordable and community housing policy, housing strategy and policy, suburban land development, and Suburban Land Agency matters (except those retained by the Chief Minister) was transferred to CED. This included the transfer of 8 staff. To transfer the appropriation funding, a Section 16 Instrument under the *Financial Management Act 1996* was approved by the Treasurer.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 18. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED

Income and Expenses

The income and expenses associated with the functions transferred *under Administrative Arrangements 2025 (No 1)* with an effective date of 1 July 2025 have been disclosed within the respective agencies 2025-26 Financial Statements.

The following table shows the income and expenses associated with the Affordable and Community Housing Policy recognised by CMTEDD for the year ended 30 June 2026. It also shows the income and expenses relating to these functions when they belonged to CED. These income and expense figures were supplied by CED, and as such have been relied upon by CMTEDD. Finally, the table shows the total income and expenses of these functions for the whole financial year.

	Amounts Relating to Function when held by CMTEDD 1 Jul 2025 to 31 Dec 2025 \$'000	Amounts Relating to Function when held by CED 1 Jan 2026 to 30 Jun 2026 \$'000	Total 2025-26 \$'000
Income			
Controlled Recurrent Payments	3,427	12,831	16,258
Total Income	3,427	12,831	16,258
Expenses			
Employee Expenses	752	415	1,167
Grants and Purchased Services	2,684	12,416	15,100
Total Expenses	3,436	12,831	16,267

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 18. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED

Restructure of Administrative Arrangements 2024-25

On 8 November 2024, a restructuring of Administrative Arrangements occurred between CMTEDD, the Environment, Planning and Sustainable Development Directorate (EPSDD) and Infrastructure Canberra (iCBR) involving the Big Canberra Battery, Community Arts Facilities and several Tier 1 and Tier 2 projects (Notifiable Instrument NI2024-627).

The Big Canberra Battery project was developed to deliver an ecosystem of batteries across the ACT to ensure stability in the Territory's electricity grid. Stream one of the project consisted of the development and ongoing land management of a grid-scale battery in Williamsdale by a contracted industry partner. The land and ongoing land management attached to this function was transferred to iCBR as part of this restructure of Administrative Arrangements. Streams two and three have involved the installation of batteries at several government sites across the ACT and working with industry partners to understand the opportunities for neighbourhood-scale batteries to support the Territory's future energy supply. Both streams two and three have been transferred to EPSDD as part of the restructure of Administrative Arrangements. The transfer of this function involved 2 staff moving to EPSDD.

The Community Arts Facilities function provides access to, and participation in several arts and cultural programs within the Territory. The function oversees the operations of several facilities including the Ainslie, Belconnen, Gorman House, Manuka, Strathnairn, Tuggeranong and Watson Arts Centres, as well as the Street Theatre, Canberra Glassworks, and Former Transport Depot. These facilities and the activities they support foster innovation in the arts, provide opportunities for artists and non-artists to participate in the arts, and nurture community cultural development. The facilities and related activities attached to this function were transferred to iCBR as part of this restructure of Administrative Arrangements.

Several other tier 1 and tier 2 projects including upgrades to the Kingston Bus Depot, Commonwealth Park Aquatic Centre, Throsby District Playing Fields and Stromlo District Playing Fields have also been transferred to iCBR as part this restructure of Administrative Arrangements. The transfer of this function involved 2 staff moving to iCBR.

Income and Expenses

The following table shows the income and expenses associated with the Big Canberra Battery, Community Arts Facilities and Tier 1 and Tier 2 projects recognised by CMTEDD for the year ended 30 June 2025. It also shows the income and expenses relating to when these functions belonged to iCBR and EPSDD. These income and expense figures were supplied by iCBR and EPSDD respectively, and as such have been relied upon by CMTEDD. Finally, the table shows the total income and expenses of these functions for the whole financial year.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 18. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED

	Amounts Relating to Function when held by CMTEDD 1 Jul 2024 to 31 Dec 2024 \$'000	Amounts Relating to Function when held by EPSDD & iCBR 1 Jan 2025 to 30 Jun 2025 \$'000	Total 2024-25 \$'000
Income			
Controlled Recurrent Payments	788	426	1,214
Sales of Goods and Services from Contracts with Customers	-	324	324
Grants and Contributions Income	225	-	225
Other Income	112	145	257
Total Income	1,125	895	2,020
Expenses			
Employee Expenses	211	174	385
Supplies and Services	855	944	1,799
Depreciation and Amortisation	1,324	909	2,233
Grants and Purchased Services	168	-	168
Total Expenses	2,557	2,027	4,584

Assets and Liabilities

Assets and liabilities transferred as part of a restructuring of administrative arrangement are recognised at the transferor's carrying amount. The amounts were agreed with the transferee prior to the transfer. The assets and liabilities transferred as part of the restructuring of administrative arrangements at the dates of transfer were as follows:

	Transferred Amounts 2025-26 \$'000	Transferred Amounts 2024-25 \$'000
Assets		
Cash and Cash Equivalents	37,034	56
Current and Non-Current Receivables	6,909	-
Contract Assets	17,348	-
Inventories	912	-
Property, Plant and Equipment	83,295	106,178
Intangibles	24,296	-
Capital Works in Progress	27,954	8,755
Current and Non-Current Other Assets	19,094	-
Total Assets Transferred	216,842	114,990
Liabilities		
Payables	16,424	151
Current and Non-Current Contract Liabilities	9,706	-
Current and Non-Current Lease Liabilities	13,375	-
Current and Non-Current Employee Benefits	61,546	120
Non-Current Other Provisions	3,295	-
Other Current Liabilities	101	-
Total Liabilities Transferred	104,447	271
Total Net Assets Transferred	112,395	114,719

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 19. FINANCIAL INSTRUMENTS

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

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- a) the business model for managing the financial assets; and
- b) the contractual cash flow characteristics of the financial assets.

The following are the classification of CMTEDD's financial assets under AASB 9 *Financial Instruments*.

Items	Business Model Held to collect principal and interest/Sell	Solely for payment of Principal and Interest (SPPI) Test (basic lending characteristics)	Classification
Cash and Cash Equivalents	Held to collect	Yes	Amortised cost
Accounts Receivables	Held to collect	Yes	Amortised cost
Contract Assets	Held to collect	Yes	Amortised cost
Loans Receivable	Held to collect	Yes	Amortised cost

CMTEDD is not exposed to material price risk and Financial Liabilities are measured at amortised cost.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

CMTEDD is not exposed to any material interest rate risks with concessional low interest loans issued under the Sustainable Household Scheme (SHS) representing the majority of financial instruments held. In the 2025-26 Budget, the Government extended the Sustainable Household Scheme, changing the interest rate from zero per cent to 3 per cent to be applied to all loans written from 1 July 2025. There are no cash consequences from changes in market interest rates as the loans are issued at fixed and low interest rates and CMTEDD has no borrowings against the SHS loans receivables.

CMTEDD holds cash balances relating to SHS in bank accounts that are subject to floating interest rates but considered low risk. Interest rates have increased during 2025-26, and as such have resulted in an increase in the amount of interest received. There have been no changes in risk exposure or processes for managing risk since last reporting period.

Sensitivity Analysis

A sensitivity analysis has not been undertaken as it is considered that CMTEDD's exposure to this risk is insignificant and would not have a material impact on its financial results.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 19. FINANCIAL INSTRUMENTS - CONTINUED

Liquidity Risk

Liquidity risk is the risk that CMTEDD will be unable to meet its financial obligations as they fall due. CMTEDD's main financial liabilities relate to employee expenses, the payment of grants and the purchase of supplies and services.

The main source of cash to pay these obligations is appropriation from Government, which is usually paid fortnightly during the year on a cash needs basis. CMTEDD manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of financial liabilities.

CMTEDD exposure to liquidity risk is considered immaterial based on experience from prior years and the current assessment of risk has not changed since the previous reporting period.

CMTEDD's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. CMTEDD's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment loss.

Credit risk is managed by CMTEDD for cash held with the Westpac Banking Corporation (Westpac) in accordance with the whole of government banking arrangements. S&P Global Ratings has assigned a AA- issuer credit rating to Westpac. A 'AA-' credit rating means the obligor has a 'very strong to strong capacity to meet its financial commitments'

CMTEDD's receivables from other ACT Government agencies are generally expected to have low credit risks and therefore CMTEDD does not recognise any loss allowance for receivables collectible from other ACT Government agencies consolidated into the whole-of-government financial statements. CMTEDD expects to collect all financial assets that are not past due or impaired, noting that no loss allowance is recognised for receivables collectible from other ACT Government agencies.

CMTEDD has an exposure to Credit Risk in relation to concessional loans issued under the SHS. Under the SHS, CMTEDD issues low interest loans of up to \$20,000, with repayment terms of up to 10 years, to households and not-for-profit community organisations to assist with the upfront costs of investing in energy efficient building upgrades and zero emissions.

CMTEDD's credit risk in relation to SHS loans receivable is limited to the total value of loans issued, less repayments made to date. CMTEDD has no borrowings against the SHS loans receivable and is required to on-pass to the TBA all amounts received in relation to the SHS as repayments are collected.

As at 30 June 2026, CMTEDD had a receivable of \$135.5 million (\$129.3 million as at 30 June 2025) relating to the value of SHS loans (refer Note 13 Receivables and Contract Assets). CMTEDD regularly reviews the SHS loan portfolio through analysis of monthly, quarterly and annual reports for loans at risk of default. Historical default rates have been low, as such there have been no significant changes in the credit risk exposure since last reporting period.

CMTEDD applies the general approach to measure estimated credit losses for loans receivable in accordance with AASB 9 *Financial Instruments*. Further detail on the measurement basis and classification of expected credit losses is provided in Note 13 Receivables and Contract Assets.

CMTEDD also manages the credit risk for receivables and contract assets by undertaking an assessment of the credit worthiness of debtors as well as an analysis of the concentration of credit risk to ensure that it is not too high. There are no significant concentration of credit risk was identified in this analysis.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 19. FINANCIAL INSTRUMENTS - CONTINUED

Maturity Analysis of Financial Liabilities

The following tables set out CMTEDD's maturity analysis for financial liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2026 and 30 June 2025. Except for non-current payables, financial liabilities that have a floating interest rate or are non interest-bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

30 June 2026		Weighted	Fixed Interest Maturing In:				Non	
	Note	Average	Floating	1 Year	Over 1	Over	Interest	Total
	No.	Interest	Interest	or Less	to 5 Years	5 Years	Bearing	
		Rate	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities								
Payables	16	-	-	-	-	-	18,816	18,816
ACT Government Borrowings		-	-	-	-	-	54	54
Loan Commitments			-	-	-	-	555	555
Total Financial Liabilities			-	-	-	-	19,425	19,425

30 June 2025

Financial Liabilities								
Payables	16	-	-	-	-	-	26,706	26,706
ACT Government Borrowings			-	-	-	-	54	54
Loan Commitments			-	-	-	-	1,533	1,533
Total Financial Liabilities			-	-	-	-	28,293	28,293

	Note No.	2026 \$'000	2025 \$'000
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Carrying Amount of Each Category of Financial Asset and Financial Liability

Financial Assets

Cash and Cash Equivalents		64,828	95,259
Loans and Receivables Measured at Amortised Cost	13	145,408	155,127
Total Financial Assets		210,236	250,386

Financial Liabilities

Payables Measured at Amortised Cost	16	18,816	26,706
ACT Government Borrowings Measured at Amortised Cost		54	54
Loan Commitments Measured at Amortised Cost		551	1,526
Total Financial Liabilities		19,421	28,286

CMTEDD does not have any financial liabilities in the 'Financial Liabilities at Fair Value through Profit and Loss' category and, as such, this category is not included above.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 20. SECURITISATION ARRANGEMENTS

The Sustainable Household Scheme (the Scheme) provides concessional loans to eligible participants to assist with the costs of energy-efficient upgrades to households. The Scheme is administered through a Loan Administration Agreement with Brighte Capital Pty Limited (Brighte), who facilitates the scheme on behalf of CMTEDD.

In 2024-25, the Scheme was restructured to include a securitised trust arrangement to mitigate risk and to ensure continuity of the Scheme in the event of an insolvency to Brighte. Under this arrangement, the ACT Sustainable Household Scheme Trust (the SHS Trust) was established, with Perpetual Corporate Trust Limited acting as the trustee and Perpetual Nominees Limited acting as the trust manager. CMTEDD pays management, accounting, and standby servicer fees to Perpetual Services Pty Limited for the delivery of these services.

CMTEDD wholly controls the SHS Trust and consolidates it into its financial statements in accordance with AASB 10 *Consolidated Financial Statements*. CMTEDD is the parent entity and the relationship with the SHS Trust at the end of the financial year is outlined below:

Name	Country of Establishment	2026 % owned	2025 % owned
ACT Sustainable Household Scheme Trust	Australia	100%	100%

CMTEDD holds units in the SHS Trust and purchases notes issued by the SHS Trust which are subsequently used to fund loans made under the SHS. Repayments of loan principal received by the SHS Trust from SHS participants are repaid to CMTEDD via note repayments.

The Financial Position of the ACT Sustainable Household Scheme Trust is outlined below:

	2026 \$'000	2025 \$'000
Assets		
Cash and Cash Equivalents	7,979	15,208
SHS Loan Receivables	166,153	161,516
Other Assets	46	46
Total Assets	174,178	176,770
Liabilities		
Fees Payable	142	152
Other Payables ¹	4,243	1,582
Capital Payable to CMTEDD ¹	172,881	176,402
Total Liabilities	177,266	178,136

¹ Liabilities owing to CMTEDD are eliminated upon consolidation in the CMTEDD Financial Statements.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 21. COMMITMENTS

Commitments are future expenditure that does not yet meet the recognition criteria of a liability as there are no present obligations. As such, commitments do not constitute a liability. Commitments usually arise from contracts, but can arise from other things like placing an order.

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

Capital Commitments - Investments

CMTEDD's capital commitments include various building, infrastructure and intangibles capital works projects, and contracted maintenance and upgrade works.

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

	2026 \$'000	2025 \$'000
Capital Commitments - Property, Plant and Equipment		
Payable:		
- within one year	24,705	16,308
- later than one year but not later than five years	1,981	4,198
Total Capital Commitments - Property, Plant and Equipment ¹	26,686	20,506
Capital Commitments - Intangible Assets		
Payable:		
- within one year	279	342
Total Capital Commitments - Intangible Assets	279	342
Total Capital Commitments	26,965	20,848

¹ The increase is mainly attributable to the commencement of the Panel Management Portal software licensing and support contract, engagement of contractors under a new one-year contract, and the commencement of construction works for the Gungahlin Tennis Facility. These increases were partially offset by the progress of the Gorman Arts Centre upgrade project.

Other Commitments

CMTEDD's Other Commitments relate mainly to economic development grants programs, software licences, and ICT support and maintenance.

Other commitments that have not been recognised as liabilities are payable as follows.

	2026 \$'000	2025 \$'000
Other Commitments		
Payable:		
- within one year	38,478	110,682
- later than one year but not later than five years	50,847	128,357
- later than five years	9,394	14,295
Total Other Commitments ^{2, 3}	98,719	253,334

² The decrease is primarily attributable to the transfer of the Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR), and Access Canberra to the City and Environment Directorate (CED), under the *Administrative Arrangements 2025 (No. 1)*.

³ Grants paid to education providers for courses under the National Skills Agreement have been excluded from Other Commitments above. Funding to education providers under the agreements is only payable upon the successful completion of eligible courses by participants. Accordingly, existing arrangements with education providers have been assessed as not meeting the definition of commitments at year end and have therefore been excluded. Prior year figures have also been corrected to improve clarity and comparability.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 22. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities and contingent assets are not recognised in the Balance Sheet due to the uncertainty regarding any possible amount or timing of any underlying claim or obligation. Instead they are disclosed and, if quantifiable, the best estimate is disclosed.

Heritage and Community Assets

CMTEDD manages a range of heritage assets which the ACT Government intends to preserve indefinitely because of their unique historical, cultural, or environmental attributes. While CMTEDD is likely to have a constructive obligation to maintain or remediate these assets in the future, there are no current legal obligations, and the potential costs cannot be quantified. On this basis, no contingent liability has been recognised.

Legal Claims

CMTEDD is subject to 48 legal claims (2025 – 97 legal claims) and is potentially liable for \$3.1 million (2025 \$8.4 million). The majority of the liabilities are expected to be partially offset by insurance arrangements through ACTIA and the final settlement amounts are unknown as at 30 June 2026.

	2026 \$'000	2025 \$'000
Contingent Liabilities		
Legal Claims ¹	3,146	8,402
Total Contingent Liabilities	3,146	8,402

¹ The decrease mainly relates to the transfer of functions in 2025-26 as a result of *Administrative Arrangements 2025 (No 1)*. Legal claims may be partially covered by the ACT Insurance Authority. The amount of reimbursement is unknown and it contingent on the outcome of legal proceedings.

NOTE 23. THIRD PARTY MONIES

CMTEDD holds security deposits for Rental Bonds Operating Account and Road User Services Trust Account. There are no additional assets and liabilities other than cash in relation to these security deposits. Therefore, the below information only provides cash disclosures of the trust activities during the year, and financial position at the reporting date. In both cases a trust bank account has been set up in accordance with section 51 of the *Financial Management Act 1996* to collect and hold the deposits.

Rental Bonds Operating Account

The Rental Bonds Operating Account was set up for the purpose of receipting and refunding bonds in relation to residential tenancy agreements administered under the *Residential Tenancies Act 1997*. The account is maintained with a balance to cover daily transactions, and the remainder is invested in a trust account held with the Public Trustee and Guardian for the ACT. Information regarding the Rental Bonds Trust Account is reported in the annual financial statements of the Justice and Community Safety Directorate (JACSD).

	2026 \$'000	2025 \$'000
Balance at the Beginning of the Reporting Period	3,054	3,295
Cash Receipts	49,058	50,387
Cash Payments	(49,494)	(50,628)
Balance at the End of the Reporting Period	2,618	3,054

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 23. THIRD PARTY MONIES - CONTINUED

Unclaimed Lottery Prize Monies held in Trust for the Gambling and Racing Commission

CMTEDD holds unclaimed lottery prize monies on behalf of the ACT Gambling and Racing Commission.

	2026	2025
	\$'000	\$'000
Balance at the Beginning of the Reporting Period	2,800	2,681
Cash Receipts	-	119
Transfer out to the City and Environment Directorate	(2,800)	-
Balance at the End of the Reporting Period ¹	-	2,800

Road User Services (RUS) Trust Account

The Road User Services (RUS) Trust Account was set up for the purpose of holding third party funds collected with vehicle registration payments, which are distributed to insurers, the Motor Accident Injuries Commission, The ACT Lifetime Care and Support Scheme, Office of the Nominal Defendant and other parties as required for the administration of third party insurance activities.

	2026	2025
	\$'000	\$'000
Balance at the Beginning of the Reporting Period	6,558	5,544
Cash Receipts	-	189,247
Cash Payments	-	(188,233)
Transfer out to the City and Environment Directorate	(6,558)	-
Balance at the End of the Reporting Period ¹	-	6,558
Total Third Party Monies	2,618	12,412

¹ The trust accounts for unclaimed lottery prize monies and road user services have been transferred to City and Environment Directorate as a result of *Administrative Arrangement 2025 (No 1)*.

Chief Minister, Treasury and Economic Development Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 24. RELATED PARTY DISCLOSURES

A related party is a person or entity that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of their reporting entity, directly or indirectly. CMTEDD's KMP are its Portfolio Ministers, Director-General (DG) and certain members of the Senior Management Team.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government, and therefore are also related parties of CMTEDD.

- Disclosures relating to the compensation of all Ministers, including CMTEDD's Portfolio Ministers, are included in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2026, on behalf of the ACT Government.
- Disclosures relating to the compensation of the Head of Service (who is also CMTEDD's DG) is included in this note on behalf of the ACT Government.

This note does not include typical citizen transactions between the KMP and CMTEDD that occur on terms and conditions no different to those applying to the general public.

(A) Controlling Entity

CMTEDD is an ACT Government controlled entity.

(B) Key Management Personnel

B.1 Compensation of Key Management Personnel

The Directorate had a total of 16 KMPs in 2025-26.

Compensation provided to CMTEDD's KMP is set out below, as per the criteria outlined above.

	2026	2025
	\$'000	\$'000
Short-term Employee Benefits	5,889	6,672
Post Employment Benefits	1,516	1,610
Other Long-term Benefits	138	157
Total Compensation to KMP	7,543	8,439

B.2 Transactions with Key Management Personnel

No disclosure is required for typical citizen transactions between the KMP and the CMTEDD that occur on terms and conditions no different to those applying to the general public, where no discretion is applied and no influence is exerted by the related parties over the terms and conditions of these transactions.

B.3 Transactions with parties related to Key Management Personnel

There were no transactions that were material to the financial statements of CMTEDD that occurred with parties related to KMP including transactions with KMP's close family members or other related entities.

(C) Transactions with Other ACT Government Controlled Entities

CMTEDD entered into transactions with other ACT Government entities in 2025-26 and 2024-25 consistent with day-to-day business operations provided under varying terms and conditions. The notes to the Financial Statements provide the details of transactions with other ACT Government entities. Below is a summary of the material transactions with Other ACT Government Entities.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 24. RELATED PARTY DISCLOSURES

Revenue

- Appropriation (Statement of Appropriation) – CMTEDDs' main ongoing source of funding is received from the ACT Government through the Territory Banking Account in the form of Controlled Recurrent Payment appropriations.
- Sales of Goods and Services from Contracts with Customers (Note 4) – CMTEDD provides a range of Whole of Government services which is funded through user charging arrangements. This includes Financial, HR, Procurement and Records Management Services.
- Other Income (Note 6) – CMTEDD recovers employee related costs from other agencies where CMTEDD staff provide workforce resources and services on behalf of other agencies. These include costs for Rehabilitation and Injury Management Services.

Expenses

- Supplies and Services (Note 8) – CMTEDD paid amounts to the ACT Audit Office for audit services, the Justice and Community Safety Directorate for legal services, Digital Canberra ICT goods and services and Infrastructure Canberra for property related expenditure. CMTEDD also pays insurance premiums to the ACT Insurance Authority.
- Grants and Purchased Services (Note 9) – CMTEDD paid grants to the Canberra Institute of Technology for Training and Skills Development initiatives.

Assets

- Receivables and Contract Assets (Note 13) – CMTEDD holds receivables with other ACT Government entities through invoicing for a range of Whole of Government services including IT, Financial, HR, Rehabilitation and Injury Management, Printing and Communication services. IT, Printing and Communication services were transferred to Digital Canberra, as discussed above.

Liabilities

- Employee Benefits (Note 17) – Superannuation liabilities for CMTEDD staff that are part of the CSS and PSS are held by the Superannuation Provision Account.

(D) Transactions with Other Related Parties

ACTivate Capital Fund

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) holds an interest in the ACTivate Capital Fund (the Fund), an Early-Stage Venture Capital Limited Partnership established to invest in ACT based start-ups and support the growth of the Territory's innovation ecosystem. During 2025-26, the Territory provided approximately \$309,000 to the Fund for annual management fees and other recoverable expenditure according to the ownership interest. This transaction is recorded in the CMTEDD Territorial Financial Statements. Refer to Note 33 Cash and Investments – Territorial for further information.

ACT Sustainable Household Scheme Trust

CMTEDD is the parent entity of ACT Sustainable Household Scheme Trust. Further information on the Trust is disclosed in Note 2 Basis of Consolidation and Note 20 Securitisation Arrangements. The transactions with the Trust during the year include transfer of funds for the new loans issued under the Scheme, collection and repayment of existing loans receivable and interest earned on new loans.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 25. BUDGETARY REPORTING

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

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

Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period Budget Statements. These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments

Note: In the following table, a '#' sign in the 'Variance %' column indicates a percentage variance of greater than +/- 999 per cent.

	Variance Explanation	Actual 2025-26 \$'000	Original Budget 2025-26 \$'000	Variance \$'000	Variance %
Operating Statement Line Items					
Income					
Controlled Recurrent Payments	1	330,856	433,107	(102,251)	(24%)
Expenses					
Grants and Purchased Services	2	88,247	194,537	(106,290)	(55%)
Other Comprehensive Result					
Increase in the Asset Revaluation Surplus	3	21,003	-	21,003	#
Balance Sheet Line Items					
Assets					
Cash	4	64,828	30,206	34,622	115%
Receivables - Non-Current	5	106,336	135,902	(29,566)	(22%)
Property, Plant and Equipment	6	319,225	461,336	(142,111)	(31%)

Variance Explanations

¹ Lower than budget result is mainly due to the:

- policy changes on financial assistance to increase affordable housing supply which resulted in the offer of waivers for lease variation fees rather than grants payment, which was the intention in the original budget;
- transfer of the Affordable and Community Housing Policy function to the City and Environment Directorate under the *Administrative Arrangements 2025 (No 2)* from 1 January 2026; and
- lower demand for User Choice, Job Trainer, Fee Free Tafe and National Skills Agreement courses resulting in lower grant payments. The expenditure is typically incurred upon the successful completion of eligible courses by participants.

² Lower than budget result primarily relates to the initiatives funded by Controlled Recurrent Payments, as discussed above.

³ Higher than budget result relates to the revaluation of assets during the year.

⁴ Higher than budget result is largely due to the timing of cash flows towards the end of financial year combined with an underestimation of the cash balance at year end in the Original Budget.

⁵ The lower than budget result is mainly due to lower than expected loans being issued through the Sustainable Household Scheme (SHS). The scheme is a demand-driven program that experiences fluctuations in uptake by the public.

⁶ The lower than budget result is largely due to the asset balances being overestimated in the Original Budget combined with delays in capital projects. This is largely driven by impact of asset transfers relating function transfers under Administrative Arrangements.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 25. BUDGETARY REPORTING - CONTINUED

	Variance Explanation	Actual 2025-26 \$'000	Original Budget 2025-26 \$'000	Variance \$'000	%
Statement of Cash Flows Line Items					
Cash Flows from Operating Activities					
Receipts					
Controlled Recurrent Payments	1	330,856	433,107	(102,251)	(24%)
Payments					
Grants and Purchased Services	1	81,279	199,630	(118,351)	(59%)
Cash Flows from Investing Activities					
Payments					
Purchase of Capital Works in Progress	2	19,808	44,399	(24,591)	(55%)
Cash Flows from Financing Activities					
Receipts					
Capital Injections	3	58,923	80,503	(21,580)	(27%)
Payments					
Transfer of Cash to Other Agencies due to Administrative Arrangements	4	37,033	14,216	22,817	161%
Variance Explanations					
¹ The lower than budget result is consistent with the explanation provided for the operating statement in the previous page for the Controlled Recurrent Payments and Grants and Purchased Services.					
² The lower than budget result is primarily attributable to project delays in infrastructure programs, which have resulted in lower expenditure and funding being reprofiled into 2026–27 and future years.					
³ The lower than budget result is largely due to delays in infrastructure programs as discussed above and lower than anticipated funding utilisation for the Sustainable Household Scheme. The scheme is a demand-driven program that experiences fluctuations in uptake by the public.					
⁴ The higher than budget result reflects the actual cash transferred for the transfer of Digital, Data and Technology Solutions Division (DDTS) to Digital Canberra (DCBR) and Access Canberra to the City and Environment Directorate (CED) under the <i>Administrative Arrangements 2025 (No 1)</i> .					

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT

Description of Operating Statement Output Classes

Output Class 1 - Government Strategy

During 2025-26, Output Class 1: Government Strategy included:

- providing advice and support to the Chief Minister, the Head of Service and the Director General on complex policy matters;
- performing a central agency coordination role in strategic planning, social, economic and regional policy, including high priority reforms and effective delivery of Government policies and priorities;
- delivering communications and engagement support and protocol services to the ACT Government and community; and
- supporting the economic growth and diversification of the Canberra economy, and enhancing Canberra's global reputation as an innovative, creative, artistic, liveable and welcoming city through international engagement.

Output Class 2 – Workforce Strategy

During 2025-26, Output Class 2: Workforce Strategy included:

- providing capability and oversight for ensuring a professional, skilled and accountable public service that is responsive to the ACT Government and the community now and into the future;
- managing whole of government capacity building programs;
- providing health and work sustainability solutions, focusing on risks arising from work and the relationship between employers and workers;
- providing an employment and policy framework to support a professional, skilled and accountable public service that is responsive to the ACT Government and the community;
- delivering transactional human resource services to directorates and agencies; and
- providing support to the Public Sector Standards Commissioner undertaking complaints management and misconduct investigation functions for the ACT Public Sector.

Output Class 3 – Economic Development

During 2025-26, Output Class 3: Economic Development included:

- delivering on the government's economic development priorities through programs, policies and initiatives to make Canberra an even better place to live, work, visit, study, invest in and do business;
- strengthening collaboration with universities, training providers, research organisations, commercialisation entities, business organisations and other government agencies through initiatives that connect Canberra's business ecosystems, which actively facilitates and attracts responsible investment in the ACT;
- attracting visitors to the ACT through innovative tourism marketing and industry development programs, while also delivering, supporting and promoting key events for Canberrans and visitors to enrich Canberra's reputation as a global destination;
- enhancing the wellbeing of Canberrans through participation in organised sport and recreation by delivering of programs, sporting infrastructure development and supporting player pathways;
- contributing to the liveability of Canberra by supporting arts and creative practice that is reflective of our community, as well as managing and maintaining arts facilities that support engaging and innovative art making for audiences to experience;

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT - CONTINUED

- supporting the skills and workforce agenda for the ACT by facilitating skilled and business migration pathways; and
- managing and maintaining key venues including GIO Stadium, Exhibition Park in Canberra, Manuka Oval, National Arboretum Canberra and Stromlo Forest Park as premier tourism and recreational attractions.

Output Class 4 – Financial and Economic Management

During 2025-26, Output Class 4: Financial and Economic Management included:

- providing advice on economic and revenue analysis and economic policy to the ACT Government;
- managing Federal Financial Relations;
- providing advice to the ACT Government on development of major infrastructure projects, including unsolicited proposals and financing options;
- developing affordable housing initiatives and coordinating housing policy advice;
- providing advice on insurance policy and regulation/administration of the Motor Accident Injuries and Lifetime Care and Support schemes;
- providing analysis, monitoring, and reporting on the financial performance of agencies, the Territory's budget, and major projects; and
- management of financial investment assets and borrowing and superannuation liabilities and assisting the ACT Government to achieve its policy objectives.

Output Class 5 – Revenue Management

During 2025-26, Output Class 5: Revenue Management included:

- collecting taxation revenue in accordance with legislation;
- providing high quality and timely advice to assist taxpayers in meeting their obligations;
- processing objections to taxation assessments and decisions, in accordance with timeframes published on the ACT Revenue Office website;
- ensuring the integrity, consistency and effectiveness of the ACT's taxation system through prioritised compliance programs and regular reviews of legislation;
- processing concessions in accordance with legislation; and
- administering Rental Bonds.

Output Class 6 – Procurement

During 2025-26, Output Class 6: Procurement included:

- providing oversight of the ACT Government procurement framework; and
- assisting the ACT Government and suppliers by providing procurement advice, support, and services.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT - CONTINUED

Output Class 7 – Access Canberra (Discontinued)

Output Class 7: Access Canberra was discontinued following *Administrative Arrangements 2025 (No 1)*, which resulted in transfer of Access Canberra's functions to the City and Environment Directorate from 1 July 2025.

Output Class 8 – Digital, Strategy and Solution Delivery (Discontinued)

Output Class 8: Digital, Strategy and Solution Delivery was discontinued following *Administrative Arrangements 2025 (No 1)*, which resulted in transfer of Digital, Strategy and Solutions Delivery functions to Digital Canberra from 1 July 2025.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT - CONTINUED

Output Class Operating Statements of Chief Minister, Treasury and Economic Development Directorate

	Output Class 1 Government Strategy			Output Class 2 ¹ Workforce Strategy			Output Class 3 Economic Development			Output Class 4 Financial and Economic Management		
	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000
Income												
Controlled Recurrent Payments	33,335	34,783	33,056	65,863	66,139	58,155	138,545	183,472	122,808	53,137	108,445	50,459
Fees	-	-	-	-	-	-	779	433	734	-	-	-
Sales of Goods and Services from Contracts with Customers	8,468	6,829	7,081	2,694	2,689	4,129	14,773	11,709	12,922	3,926	6,070	4,229
Grants and Contributions Income	3,584	4,148	2,782	9,411	9,006	6,065	7,151	8,730	4,925	4,909	4,924	2,935
Interest Revenue	-	-	4,257	87	60	94	129	40	72	9,175	9,200	4,175
Rental Revenue	-	-	-	-	-	-	-	-	-	1,894	1,915	1,996
Other Income	74	-	17	6,849	6,881	7,458	11,801	7,274	9,146	4,422	1,051	3,520
Total Income	45,461	45,760	47,193	84,904	84,775	75,902	173,178	211,658	150,606	77,463	131,605	67,314
Expenses												
Employee Expenses	27,789	26,274	31,654	62,873	55,006	64,060	48,232	45,212	47,003	46,067	46,157	45,104
Supplies and Services	14,983	18,585	14,561	15,491	24,419	14,432	51,224	29,202	47,510	13,467	30,478	13,030
Depreciation and Amortisation	365	255	1,124	796	595	776	6,801	6,094	7,689	1,606	2,227	1,661
Grants and Purchased Services	795	1,039	8,137	5,472	5,938	6,093	72,905	136,624	58,902	10,614	50,936	8,960
Borrowing Costs	15	1	10	19	4	5	53	45	44	11	3	7
Other Expenses	27	22	51	216	327	63	514	1,307	210	154	642	6
Transfers to Government	-	-	184	-	-	-	1,254	1,254	420	1,852	109	355
Total Expenses	43,974	46,176	55,721	84,867	86,289	85,428	180,983	219,738	161,779	73,771	130,552	69,123
Operating Result	1,487	(416)	(8,528)	37	(1,514)	(9,526)	(7,805)	(8,080)	(11,173)	3,692	1,053	(1,809)

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT - CONTINUED

Output Class Operating Statements of Chief Minister, Treasury and Economic Development Directorate - Continued

	Output Class 5 Revenue Management			Output Class 6 Procurement			Output Class 7 ² Access Canberra (Discontinued)			Output Class 8 Digital, Strategy and Solutions Delivery (Discontinued)		
	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000
Income												
Controlled Recurrent Payments	31,068	29,445	33,000	8,908	10,823	9,088	-	-	114,961	-	-	177,534
Fees	-	-	-	-	-	-	-	-	-	-	-	-
Sales of Goods and Services from Contracts with Customers	338	324	289	513	469	502	-	-	13,931	-	-	93,751
Grants and Contributions Income	8,091	5,251	3,064	1,085	1,143	596	-	-	11,467	-	-	2,527
Interest Revenue	92	96	88	-	-	-	-	-	252	-	-	-
Rental Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	923	1,220	896	4	-	3	-	-	1,425	-	-	306
Total Income	40,512	36,336	37,337	10,510	12,435	10,190	-	-	142,036	-	-	274,117
Expenses												
Employee Expenses	21,639	22,304	21,103	9,206	9,387	7,656	-	-	104,193	-	-	98,260
Supplies and Services	17,092	14,433	12,755	2,479	2,975	2,425	-	-	42,170	-	-	152,098
Depreciation and Amortisation	4,313	3,456	3,741	24	30	25	-	-	3,349	-	-	26,321
Grants and Purchased Services	-	-	651	-	-	-	-	-	2,469	-	-	-
Borrowing Costs	7	2	2	2	-	1	-	-	143	-	-	304
Other Expenses	52	34	26	7	11	3	-	-	(53)	-	-	68
Transfers to Government	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	43,103	40,229	38,278	11,718	12,403	10,110	-	-	152,271	-	-	277,051
Operating Result	(2,591)	(3,893)	(941)	(1,208)	32	80	-	-	(10,236)	-	-	(2,934)

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT - CONTINUED

Output Class Operating Statements of Chief Minister, Treasury and Economic Development Directorate - Continued

	Intra- Directorate Eliminations			Total		
	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000	Actual 2026 \$'000	Budget 2026 \$'000	Actual 2025 \$'000
Income						
Controlled Recurrent Payments	-	-	-	330,856	433,107	599,060
Fees	-	-	-	779	433	734
Sales of Goods and Services from Contracts with Customers	(2,836)	(1,453)	(20,684)	27,876	26,637	116,152
Grants and Contributions Income	(3,774)	(5,668)	(28,023)	30,457	27,534	6,339
Interest Revenue	-	-	-	9,483	9,396	8,936
Rental Revenue	-	-	-	1,894	1,915	1,996
Other Income	(576)	-	(5)	23,497	16,426	22,768
Total Income	(7,186)	(7,121)	(48,712)	424,842	515,448	755,983
Expenses						
Employee Expenses	(564)	-	(1,947)	215,242	204,340	417,086
Supplies and Services	(5,083)	(7,121)	(45,311)	109,653	112,971	253,669
Depreciation and Amortisation	-	-	-	13,905	12,657	44,687
Grants and Purchased Services	(1,539)	-	(1,524)	88,247	194,537	83,687
Borrowing Costs	-	-	-	107	55	515
Other Expenses	-	-	71	970	2,343	447
Transfers to Government	-	-	-	3,106	1,363	959
Total Expenses	(7,186)	(7,121)	(48,712)	431,230	528,266	801,050
Operating Result	-	-	-	(6,388)	(12,818)	(45,067)

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT - CONTINUED

Disaggregated Disclosure of Assets and Liabilities as at 30 June 2026

Assets	Output Class 1 Government Strategy	Output Class 2 ¹ Workforce Strategy	Output Class 3 Economic Development	Output Class 4 Financial and Economic Management	Output Class 5 Revenue Management	Output Class 6 Procurement	Output Class 7 ² Access Canberra (Discontinued)	Output Class 8 Digital, Strategy and Solution Delivery (Discontinued)	Intra- Directorate Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets										
Cash and Cash Equivalents	4,012	17,130	16,864	19,726	5,591	1,505	-	-	-	64,828
Receivables	747	2,586	3,568	29,421	882	327	-	-	344	37,875
Contract Assets	1,938	95	719	37	481	(250)	-	-	(583)	2,437
Inventories	-	-	595	-	-	-	-	-	-	595
Other Assets	544	325	1,905	1,526	178	276	-	-	(1)	4,753
Total Current Assets	7,241	20,136	23,651	50,710	7,132	1,858	-	-	(240)	110,488
Non-Current Assets										
Receivables	-	-	-	106,274	63	-	-	-	-	106,337
Property, Plant and Equipment	3,139	8,968	243,195	63,192	585	146	-	-	-	319,225
Investment Properties	-	-	5,300	-	-	-	-	-	-	5,300
Intangible Assets	403	(1,772)	1,093	1,868	18,753	108	-	-	-	20,453
Other Assets	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	3,542	7,196	249,588	171,334	19,401	254	-	-	-	451,315
Total Assets	10,783	27,332	273,239	222,044	26,533	2,112	-	-	(240)	561,803

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT - CONTINUED

Disaggregated Disclosure of Assets and Liabilities as at 30 June 2026 - Continued

Liabilities	Output Class 1 Government Strategy	Output Class 2 ¹ Workforce Strategy	Output Class 3 Economic Development	Output Class 4 Financial and Economic Management	Output Class 5 Revenue Management	Output Class 6 Procurement	Output Class 7 ² Access Canberra (Discontinued)	Output Class 8 Digital, Strategy and Solution Delivery (Discontinued)	Intra- Directorate Eliminations	Unallocate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Liabilities											
Payables	2,130	2,069	9,452	4,595	1,212	244	-	-	(168)	(718)	18,816
Contract Liabilities	382	213	1,767	497	2	1	-	-	(73)	-	2,789
Borrowings	-	-	55	-	-	-	-	-	-	-	55
Lease Liabilities	66	28	315	17	11	3	-	-	-	-	440
Employee Benefits	8,441	18,605	15,561	17,797	6,614	3,223	-	-	7	-	70,248
Other Provisions	-	-	-	550	-	-	-	-	-	-	550
Other Liabilities	-	78	1,541	-	-	-	-	-	(2)	-	1,617
Total Current Liabilities	11,019	20,993	28,691	23,456	7,839	3,471	-	-	(236)	(718)	94,515
Non-Current Liabilities											
Lease Liabilities	51	24	136	15	9	2	-	-	-1	-	236
Employee Benefits	513	1,120	861	783	542	164	-	-	-	-	3,983
Other Provisions	122	314	233	193	122	30	-	-	-	-	1,014
Total Non-Current Liabilities	686	1,458	1,230	991	673	196	-	-	-1	-	5,233
Total Liabilities	11,705	22,451	29,921	24,447	8,512	3,667	-	-	(237)	(718)	99,748
Net Assets/(Liabilities)	(922)	4,881	243,318	197,597	18,021	(1,555)	-	-	(-3)	718	462,055

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT - CONTINUED

Disaggregated Disclosure of Assets and Liabilities as at 30 June 2025

Assets	Output Class 1 Government Strategy	Output Class 2 ¹ Workforce Strategy	Output Class 3 Economic Development	Output Class 4 Financial and Economic Management	Output Class 5 Revenue Management	Output Class 6 Procurement	Output Class 7 ² Access Canberra (Discontinued)	Output Class 8 Digital, Strategy and Solution (Discontinued)	Intra- Directorate Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets										
Cash	2,095	9,655	7,607	19,220	3,354	1,019	19,601	32,708	-	95,259
Receivables	118	285	4,859	25,417	209	234	719	6,962	65	38,868
Contract Assets	1,941	25	513	15	453	(153)	351	17,081	(2,875)	17,351
Inventories	-	-	441	-	-	-	-	-	-	1,353
Other Assets	83	355	1,641	1,331	349	263	776	12,265	(1,796)	15,267
Total Current Assets	4,237	10,320	15,061	45,983	4,365	1,363	21,447	69,016	(4,606)	168,098
Non-Current Assets										
Receivables	-	-	-	103,263	71	-	-	-	-	103,334
Property, Plant and Equipment	824	9,506	214,927	64,036	563	188	8,391	85,265	-	383,700
Investment Properties	-	-	5,020	-	-	-	-	-	-	5,020
Intangible Assets	403	(2,026)	448	1,927	17,586	80	14,019	30,898	-	63,335
Other Assets	-	-	-	-	-	-	-	6,086	-	6,086
Total Non-Current Assets	1,227	7,480	220,395	169,226	18,220	268	22,410	122,249	-	561,475
Total Assets	5,464	17,800	235,456	215,209	22,585	1,631	43,857	191,265	(4,606)	729,573

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 26. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT - CONTINUED

Disaggregated Disclosure of Assets and Liabilities as at 30 June 2025 - Continued

Liabilities	Output Class 1 Government Strategy	Output Class 2 ¹ Workforce Strategy	Output Class 3 Economic Development	Output Class 4 Financial and Economic Management	Output Class 5 Revenue Management	Output Class 6 Procurement	Output Class 7 ² Access Canberra (Discontinued)	Output Class 8 Digital, Strategy and Solution (Discontinued)	Intra- Directorate Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Liabilities										
Payables	1,212	948	7,500	3,710	540	52	4,575	12,474	(4,305)	26,706
Contract Liabilities	527	494	3,131	569	1	-	9,180	537	(301)	14,138
Borrowings	-	-	26	-	-	-	-	-	-	26
Lease Liabilities	63	15	387	9	6	2	542	2,547	-	3,571
Employee Benefits	8,510	16,217	13,872	17,737	6,301	2,419	30,553	31,586	-	127,195
Other Provisions	-	1	1	1,527	-	-	235	1	-	1,765
Other Liabilities	-	78	1,446	-	-	-	102	-	-	1,626
Total Current Liabilities	10,312	17,753	26,363	23,552	6,848	2,473	45,187	47,145	(4,606)	175,027
Non-Current Liabilities										
Borrowings	-	-	28	-	-	-	-	-	-	28
Lease Liabilities	60	25	378	15	10	3	340	10,078	-	10,909
Employee Benefits	524	1,172	834	793	483	123	1,891	1,416	-	7,236
Other Provisions	93	66	44	40	26	9	1,976	92	-	2,346
Total Non-Current Liabilities	677	1,263	1,284	848	519	135	4,207	11,586	-	20,519
Total Liabilities	10,989	19,016	27,647	24,400	7,367	2,608	49,394	58,731	(4,606)	195,546
Net Assets/(Liabilities)	(5,525)	(1,216)	207,810	190,808	15,218	(977)	(5,538)	133,447	-	534,027

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

¹ This output class was previously Output Class 7 Workforce Strategy in the 2024-25 annual report.

² This output class was previously Output Class 2 Access Canberra in the 2024-25 annual report.

Chief Minister, Treasury and Economic Development Directorate

**Territorial Financial Statements for the year ended
30 June 2026**

Chief Minister, Treasury and Economic Development Directorate

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For the Year Ended 30 June 2026

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Note 31 Grants and Purchased Services - Territorial
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Assets Notes - Territorial

Note 33 Cash and Investments - Territorial
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Note 38 Restructure of Administrative Arrangements - Territorial
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Chief Minister, Treasury and Economic Development Directorate
Statement of Income and Expenses on Behalf of the Territory
For the Year Ended 30 June 2026

	Note	Actual	Original	Actual
	No.	2026	Budget	2025
		\$'000	\$'000	\$'000
Income				
Payments for Expenses on Behalf of the Territory	#	102,425	129,456	130,874
Taxes, Licences, Fees and Fines	28	2,747,416	2,890,376	2,891,732
Sales of Goods and Services from Contracts with Customers		445	148	16,816
Rental Revenue		4,078	4,687	4,224
Grants from the Commonwealth	29	3,353,059	3,328,189	2,880,569
Dividend Revenue	30	179,710	241,948	109,071
Other Income		-	23,604	349
Total Income		6,387,133	6,618,408	6,033,635
Expenses				
Supplies and Services		13,109	13,264	11,620
Grants and Purchased Services	31	92,396	110,149	110,022
Other Expenses	32	17,201	6,604	11,125
Transfer Payments to Government		6,268,709	6,484,016	5,900,728
Total Expenses		6,391,415	6,614,033	6,033,495
Operating Result		(4,282)	4,375	140
Other Comprehensive Result				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus		4,447	7,649	509
Total Other Comprehensive Result		4,447	7,649	509
Total Comprehensive Result		165	12,024	649

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

Refer to the *Territorial Statement of Appropriation*.

Chief Minister, Treasury and Economic Development Directorate
Statement of Assets and Liabilities on Behalf of the Territory
As at 30 June 2026

	Note	Actual	Original	Actual
	No.	2026	Budget	2025
		\$'000	\$'000	\$'000
Current Assets				
Cash	33	15,645	12,405	24,524
Receivables	34	532,098	700,775	485,339
Assets Held for Sale	35	6,450	-	8,045
Total Current Assets		554,193	713,180	517,908
Non-Current Assets				
Receivables	34	30,433	48,424	46,400
Investments	33	52	11,525	1,535
Property	36	216,181	204,741	223,083
Total Non-Current Assets		246,666	264,690	271,018
Total Assets		800,859	977,870	788,926
Current Liabilities				
Payables	37	529,949	691,173	501,305
Other Provisions		17,473	15,134	16,191
Total Current Liabilities		547,422	706,307	517,496
Non-Current Liabilities				
Payables	37	30,433	54,266	46,400
Total Non-Current Liabilities		30,433	54,266	46,400
Total Liabilities		577,855	760,573	563,896
Net Assets		223,004	217,297	225,030
Equity				
Accumulated Funds		113,475	104,816	114,684
Asset Revaluation Surplus		109,529	112,481	110,346
Total Equity		223,004	217,297	225,030

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

Chief Minister, Treasury and Economic Development Directorate
Statement of Changes in Equity on Behalf of the Territory
For the Year Ended 30 June 2026

	Accumulated Funds Actual \$'000	Asset Revaluation Surplus Actual \$'000	Total Equity Actual \$'000	Original Budget \$'000
Balance as at 1 July 2025	114,684	110,346	225,030	227,702
Net Effect Correction of Prior Year Error	461	-	461	-
Restated Balance as at 1 July 2025	115,145	110,346	225,491	227,702
Comprehensive Income				
Operating Result	(4,282)	-	(4,282)	4,375
Increase in Asset Revaluation Surplus	-	4,447	4,447	7,649
Total Comprehensive Result	(4,282)	4,447	165	12,024
Movement in Reserves				
Transfer to/(from) Accumulated Funds	5,264	(5,264)	-	12,151
Movement in Asset Revaluation Reserve	-	-	-	(12,151)
Total Movement in Reserves	5,264	(5,264)	-	-
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections	309	-	309	9,670
Capital Distributions	(12,631)	-	(12,631)	(36,142)
Net Assets Transferred out as part of an Administrative Arrangement	9,672	-	9,672	4,043
Other Movements	(2)	-	(2)	-
Total Transactions Involving Owners Affecting Accumulated Funds	(2,652)	-	(2,652)	(22,429)
Balance as at 30 June 2026	113,475	109,529	223,004	217,297
Balance as at 1 July 2024	121,416	115,387	236,803	
Comprehensive Income				
Operating Result	140	-	140	
Increase in the Asset Revaluation Surplus	-	509	509	
Total Comprehensive Result	140	509	649	
Net Effect Correction of Prior Year Error	(17)	17	-	
Movement in Reserves				
Transfer to/(from) Accumulated Funds	5,567	(5,567)	-	
Total Movement in Reserves	5,567	(5,567)	-	
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections	-	-	-	
Capital Distributions	(12,422)	-	(12,422)	
Total Transactions Involving Owners Affecting Accumulated Funds	(12,422)	-	(12,422)	
Balance as at 30 June 2025	114,684	110,346	225,030	

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

1. Refer to Note 38 *Restructure of Administrative Arrangements – Territorial* for further information.

Chief Minister, Treasury and Economic Development Directorate
Statement of Cash Flows on Behalf of the Territory
For the Year Ended 30 June 2026

		Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
Cash Flows from Operating Activities				
Receipts				
Payment for Expenses on Behalf of the Territory		102,425	129,456	130,874
Taxes, Licences, Fees and Fines		2,724,429	2,797,717	2,830,005
Sales of Goods and Services from Contracts with Customers		3,630	4,785	19,822
Grants from the Commonwealth		3,353,059	3,326,985	2,880,569
Dividends		121,201	136,405	194,598
Other Receipts		1,004	29,068	2,736
Total Receipts from Operating Activities		6,305,749	6,424,416	6,058,604
Payments				
Supplies and Services		12,859	12,060	11,624
Grants and Purchased Services		93,324	104,993	107,135
Transfer of Territory Receipts to the ACT Government		6,200,448	6,295,285	5,930,356
Other Payments		1,620	8,153	3,376
Total Payments from Operating Activities		6,308,252	6,420,491	6,052,491
Net Cash Inflows/(Outflows) from Operating Activities	33	(2,503)	3,925	6,113
Cash Flows from Investing Activities				
Receipts				
Proceeds from the Sale of Property	35	12,425	36,141	12,422
Proceeds from Sale/Maturity of Investments		457	-	-
Total Receipts from Investing Activities		12,882	36,141	12,422
Payments				
Purchase of Property		-	-	-
Purchase of Investments		309	9,670	-
Total Payment from Investing Activities		309	9,670	-
Net Cash Inflows from Investing Activities		12,573	26,471	12,422
Cash Flows from Financing Activities				
Receipts				
Capital Injections from Government		309	9,670	-
Receipt of Transferred Cash Balances		-	-	-
Total Receipts from Financing Activities		309	9,670	-
Payments				
Distributions to Government		12,631	36,142	12,422
Transfer of Cash Balances		6,627	9,930	-
Total Payments from Financing Activities		19,258	46,072	12,422
Net Cash Outflows from Financing Activities		(18,949)	(36,402)	(12,422)
Net Increase/(Decrease) in Cash and Cash Equivalents		(8,879)	(6,006)	6,113
Cash and Cash Equivalents at the Beginning of the Reporting Period		24,524	18,411	18,411
Cash and Cash Equivalents at the End of the Reporting Period	33	15,645	12,405	24,524

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

Chief Minister, Treasury and Economic Development Directorate

Territorial Statement of Appropriation

For the Year Ended 30 June 2026

Under the *Financial Management Act 1996* (FMA) funds can be appropriated for Expenses on Behalf of the Territory (EBT) or (Territorial) Capital Injections (CI). EBT is recognised as revenue when CMTEDD receives the cash. CI is not recognised as income but instead are recognised as equity injections and a cash inflow for use in purchasing assets/investment or reducing liabilities.

CMTEDD uses EBT appropriation to make payments on behalf of the Territory, mainly relating to grants and Community Service Obligations (CSOs) to non-government organisations and individuals and uses CI appropriation for the purchase of land rent blocks under the Land Rent Scheme and investments in the venture capital fund which supports the commercialisation of research activities in the Territory.

In the following table the:

- **Original Budget** column shows the amounts that appear in the Changes to Appropriation tables in the 2025-26 Budget Papers (These amounts also appear in the Statement of Cash Flows on Behalf of the Territory);
- **Total Appropriated** column includes all appropriation variations occurring after the Original Budget; and
- **Appropriation Drawn** is the total amount of appropriation received during the year (These amounts also appear in the Statement of Cash Flows on Behalf of the Territory).

	Original Budget 2026 \$'000	Total Appropriated 2026 \$'000	Appropriation Drawn 2026 \$'000	Appropriation Drawn 2025 \$'000
Territorial				
Payment for Expenses on Behalf of the Territory	129,456	129,756	102,425	130,874
Capital Injections	9,670	10,100	309	-
Total Territorial Appropriation	139,126	139,856	102,734	130,874

Reconciliation of Appropriation for 2025-26

The following table and associated footnotes explain the movements between the Original Budget and the Total Appropriated and the Total Appropriated and the Appropriation Drawn.

	Payment for Expenses on Behalf of the \$'000	Capital Injections \$'000
Original Budget	129,456	9,670
Changes in Territorial Appropriation during 2025-26		
Rollover of Undisbursed Appropriation (FMA S.16B)	300	330
Transfer of funds from other appropriations to capital injection appropriation (FMA s.14B)		100
Total Change in Territorial Appropriation during 2025-26	300	430
Total Appropriated	129,756	10,100
Undrawn Funds ^{1, 2}	(27,331)	(9,791)
Total Territorial Appropriation Drawn	102,425	309

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

1. Undrawn funds relating to Payments for Expenses on Behalf of the Territory are largely due to fewer-than-expected electricity payment claims and reduced concession claims arising from various initiatives associated with Transport Canberra Operations, including Fare-Free Fridays from July 2025 to December 2025 and free travel from 6pm on Fridays and Saturdays from mid-December 2025 to February 2026.
2. Undrawn funds relating to Capital Injections are due to lower levels of investment activity within the ACTivate Capital fund. Undrawn funds will be reprofiled into future years to align to Territory committed funding relating to the venture capital fund.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 27. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS - TERRITORIAL

The basis of preparation of Chief Minister, Treasury and Economic Development Directorate are contained in Note 2 *Basis of Preparation of the Financial Statements* and apply to both the Controlled and Territorial financial statements.

INCOME NOTES – TERRITORIAL

NOTE 28. TAXES, LICENCES, FEES AND FINES - TERRITORIAL

CMTEDD collects most of the ACT Government's taxes, licences, fees and fines revenue through its territorial accounts.

On 25 June 2025, the *Administrative Arrangement 2025 (No 1)* was signed taking effect on 1 July 2025 (Notifiable Instrument NI2025-350).

Following the administrative arrangement, effective from 1 July 2025, Access Canberra Territorial was formally transferred to the newly formed City and Environment Directorate (CED). Accordingly, from 1 July 2025, territorial revenue and expenses associated with Access Canberra Territorial functions are recognised in CED Territorial's financial statements. These functions include the administration of key territorial revenue streams such as motor vehicle registration fees, driver licence fees, infringement and parking fines, water abstraction charges, notice of intension fees, land title fees, and other regulatory charges.

Taxes

The table below categorises the taxes collected by CMTEDD on behalf of the Territory. General rates, land tax and police, fire and emergency services levies are annual amounts payable by property owners in the Territory. The ambulance levy is payable monthly by private health insurance companies operating in the ACT. Duties mainly relate to residential and commercial conveyance duty payable on property acquisitions. Payroll tax is required to be paid monthly or annually by employers that exceed the relevant thresholds. Income tax equivalents are also collected by CMTEDD from the ACT Government's Public Non-Financial Corporations that are required to pay it (refer Note 34. *Receivables - Territorial* for more information).

Taxes (excluding payroll tax) are recognised when the taxable event occurs, and revenue can be reliably measured (often when an assessment is issued). Payroll tax revenue is recognised in the period the return relates to.

Licences

All individuals seeking to operate a vehicle within the ACT are required to hold a current and appropriate driver licence based on their age, vehicle type, conditions and/or restrictions of use. Licences are issued upon receipt of payment. Licence revenue is recognised when the licence is issued.

Fees

The Territory charges fees for regulatory services. The three main fees contributing this revenue are motor vehicle registrations, land title fees (searches, registrations and lodgements) and notice of intention fees. Revenue is recognised when the relevant performance obligation is satisfied. Water abstraction charges are recognised as water is abstracted, while motor vehicle registration, land title and notice of intention fees are recognised when payment is received.

Following the Administrative Arrangements effective from 1 July 2025, most revenue streams in this category were transferred to the City and Environment Directorate. Further information is provided in Note 38, *Restructure of Administrative Arrangements*.

The principal fee retained by CMTEDD Territorial is the workers compensation regulatory fee charged to licensed insurers and self-insurers under section 210 of the *Workers Compensation Act 1951*. Revenue is recognised when the annual apportionment notice is issued and CMTEDD obtains the statutory right to receive the assessed amount. The fee is initially calculated using estimated scheme market shares and subsequently adjusted when actual market share information becomes available.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 28. TAXES, LICENCES, FEES AND FINES - TERRITORIAL - CONTINUED

Fines

Fines mainly relate to traffic and parking infringements, which include fixed and mobile speed and redlight camera fines, mobile device detection camera fines, parking fines and traffic fines.

Fines are recognised as revenue on the issue of the relevant infringement notice. Where the fine attracts a penalty for late payment, the penalty amount is recognised as revenue on issue of the late payment notice.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 28. TAXES, LICENCES, FEES AND FINES - TERRITORIAL - CONTINUED

	2026 \$'000	2025 \$'000
Taxes		
General Rates and Land Tax	1,096,100	1,043,937
Duties and Levies ¹	603,404	528,714
Payroll Tax	857,265	801,221
Other Taxes ²	170,895	127,824
Total Taxes	2,727,664	2,501,696
Licences		
Driver Licences ³	-	14,178
Other Licences ³	-	4,191
Total Licences	-	18,369
Fees		
Fees for Regulatory Services ³	19,752	280,933
Water Abstraction Charge ³	-	39,619
Total Fees	19,752	320,552
Fines		
Traffic and Other Fines ³	-	40,705
Parking Fines ³	-	10,410
Total Fines	-	51,115
Total Taxes, Licences, Fees and Fines	2,747,416	2,891,732

1. The increase is primarily driven by higher revenue from residential conveyancing duty and motor vehicle transfer stamp duty, reflecting strong market demand and increased transaction activity.
2. The increase was primarily driven by higher Commonwealth income tax equivalent payments from the Suburban Land Agency due to favourable market conditions.
3. The decrease is primarily attributable to the transfer of Access Canberra as a result of the *Administrative Arrangements 2025 (No.1)*. As a result of this transition, no corresponding revenue is recognised under CMTEDD Territorial in this financial year.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 29. GRANTS FROM THE COMMONWEALTH - TERRITORIAL

Commonwealth Government Grants are recognised as revenue when CMTEDD gains control over the grant received or receivable, which occurs in most cases when cash is received.

CMTEDD receives Commonwealth Grants on behalf of the Territory. This includes General Revenue Assistance (GRA), National Specific Purpose Payments (SPPs), National Reform Payments (NRPs), National Partnership Payments (NPPs) and grants specific to local government functions. Under Federal financial arrangements, CMTEDD receives the majority of the Commonwealth Grant funding on behalf of the Territory. All grant funding received is immediately transferred to the Territory Banking Account (TBA).

- *General Revenue Assistance* includes GST and Municipal Services payments. GST payments represent the distribution of GST revenue collected by the Commonwealth Government and on-passed to State and Territory Governments without conditions attached. Municipal Services payments represent Commonwealth grants for assistance for water and sewage services and national capital influences, which compensate the Territory for a number of factors, such as 'rating disability', due to the number of national institutions in the ACT that cannot be taxed.
- *National Specific Purpose Payments and National Reform Payments* are Commonwealth contributions to support the delivery of services in a particular sector.
- *National Partnership Payments* are Commonwealth payments in respect of a National Partnership Agreement to support the delivery of specified projects, facilitate reforms, or reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.
- *Other Commonwealth Grants* represent Financial Assistance Grants for Local Governments, which are paid outside of the federal funding framework, for on-passage to local governments. As the ACT Government also has responsibility for municipal functions, the Financial Assistance Grants are paid direct to the Territory to be spent according to the Territory's budget priorities.

	2026 \$'000	2025 \$'000
General Revenue Assistance		
GST Revenue Grant	2,162,461	1,978,276
ACT Municipal Services	46,340	45,387
Total General Revenue Assistance	2,208,800	2,023,663
National Specific Purpose, Reform and Partnership Payments		
National Specific Purpose Payments and National Reform Payments	607,280	564,822
National Partnership Payments ¹	435,039	243,089
Total National Specific Purpose, Reform and Partnership Payments	1,042,320	807,911
Other Commonwealth Grants		
Financial Assistance Grants for Local Government ²	101,939	48,995
Total Other Commonwealth Grants	101,939	48,995
Total Grants from the Commonwealth	3,353,059	2,880,569

¹ The increase in NPP funding during the year was primarily driven by funding received for the Light Rail Stage 2A project.

² The increase primarily reflects the Australian Government's decision to bring forward a portion of the 2026-27 Financial Assistance Grant to 2025-26, resulting in higher revenue being recognised in the current year.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 30. DIVIDEND REVENUE - TERRITORIAL

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

CMTEDD collects dividends from several ACT Government entities. The reported dividend revenue reflects dividends declared by those agencies. For further information regarding the dividends declared and/or performance of the agencies listed below, refer to the respective agency's 2025-26 Financial Statements.

	2026	2025
	\$'000	\$'000
General Government Sector Dividends		
Public Trustee and Guardian ¹	468	-
Total General Government Sector Dividends	468	-
 Public Non-Financial Corporations Dividends		
Icon Water Limited ²	42,435	48,721
Suburban Land Agency (SLA) ¹	127,433	60,342
City Renewal Authority (CRA) ¹	9,373	8
Total Public Non-Financial Corporation Dividends	179,241	109,071
 Total Dividend Revenue	179,710	109,071

¹ The increase reflects an improved operating result and higher associated dividend distributions from the Public Trustee and Guardian, Suburban Land Agency and the City Renewal Authority.

² The decrease is due to lower dividend distributions from Icon Water Limited, reflective of the respective operating result.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

EXPENSE NOTES – TERRITORIAL

NOTE 31. GRANTS AND PURCHASED SERVICES - TERRITORIAL

Grants are financial contributions provided by CMTEDD to ACT Government agencies, non-ACT Government organisations and individuals for general assistance or for a particular purpose. Grants may be for capital or recurrent purposes, with their name or category reflecting their intended use. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

Grants are goods, services or assets that are provided to another entity without receiving approximately equal value in return. Recurrent Grants expenditure is generally recognised when the services have been performed by the grantee or the grant eligibility criteria has been satisfied. Capital Grant expenses are recognised in the reporting period in which they are paid or payable. Grants are measured at the fair value of the transaction, at the time that transaction occurs.

CMTEDD co-ordinates several grant/subsidy schemes, primarily related to various Community Service Obligations (CSOs). These schemes mainly provide financial assistance to help cover utility costs, transport expenses, and the purchase of spectacles.

The Energy Bill Relief Fund in the ACT is a joint initiative between the ACT Government and the Australian Government, aimed at providing targeted cost-of-living support to households and small businesses. Initially introduced in 2023-24, the Australian Government announced an extension of the program by six months (from 1 July 2025 to 31 December 2025) in the 2025-26 Budget. Most eligible recipients will have the rebate automatically applied by their electricity provider, while those in embedded networks, such as caravan parks, apartment buildings, and retirement villages, must submit an application to access the rebate.

CMTEDD provides grants funding to the City and Environment Directorate (CED) for the administration of Transport and Taxi Subsidy Schemes, which includes concessions that reduce or eliminate the cost of public transport for eligible public transport users, concessions for vehicle registration fees and drivers license fees for eligible ACT residents, and financial assistance payments for the use of taxi services to ACT residents with severe mobility restrictions that prevent them from using public transport.

In 2025-26, the ACT Government also continued to support ACT apprentices and trainees with the cost of living following measures introduced in the 2024-25 Budget. Eligible apprentices and trainees received a \$250 payment if active in their apprenticeship on 1 July 2025, with an additional \$250 provided to first year apprentices and trainees to assist with the cost of tools and equipment. This program ceased on 30 June 2026.

	2026	2025
	\$'000	\$'000
Grants		
Utilities ¹	69,942	97,596
Transport & Taxi Subsidy Scheme ²	18,491	9,255
Spectacles and Senior Spectacles Schemes	1,987	1,961
Others	1,976	1,210
Total Grants	92,396	110,022

¹ The decrease is mainly due to the Energy Bill Relief Fund being provided across the full year in 2024-25, while in 2025-26 it only applies through to December 2025.

² The increase mainly reflects grant expenditure paid to Access Canberra for the provision of drivers license and vehicle registration concessions. Access Canberra functions were transferred to CED under the *Administrative Arrangements 2025 (No 1)* on 1 July 2025. No Access Canberra grants expenditure was recognised previously as these transactions were within CMTEDD and eliminated in accordance with accounting standards.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 32. OTHER EXPENSES - TERRITORIAL

Territorial Other Expenses include act of grace payments, waivers, impairment losses, write-offs, losses on the sale of land rent blocks, and losses from the Territory's investment in the Canberra Business Development Fund (CBDF) and the ACTivate Capital Fund.

Act of Grace Payments

Under Section 130 of the *Financial Management Act 1996 (FMA)* the Treasurer may, in writing, authorise act of grace payments to be made by the Territory (Refer Note 10. *Other Expenses - Controlled*).

Act of Grace payments are payments that would not otherwise be authorised by law or required to meet a legal liability but are authorised by the Treasurer where the Treasurer considers it is appropriate to do so because of special circumstances. It is ordinarily the case that the Territory has some moral obligation in respect of the special circumstances that warrants the authorisation of the payment.

Act of Grace Payments are recognised when the Treasurer has authorised the payment and are measured at the amount paid or payable.

The 2025-26 Act of Grace payments that impacted CMTEDD's territorial accounts are mainly associated with payroll tax and conveyance duty.

Waivers

A waiver is the relinquishment of a legal claim to a debt. Debts that are waived under Section 131 of the FMA are expensed during the year in which the right to payment was waived. There are also a number of Legislative provisions, including section 15(2)(b) of the *Court Procedure Act 2004* and Part 3 Section 31G of the *Road Transport (General) Act 1999* that allow the Courts and Access Canberra to make decisions to waive the payment of debt owing to CMTEDD on behalf of the Territory from third parties.

Impairment Losses and Write-Offs – Accounts Receivables

A matrix is used to calculate the amount of lifetime expected credit loss which factors practical and justifiable forward-looking information, including forecast economic changes expected to impact CMTEDD's Receivables (see Note 34 *Receivables - Territorial*).

	2026 \$'000	2025 \$'000
Act of Grace Payments ¹	228	947
Waivers ²	1,266	1,709
Impairment Losses and Write-Offs of Receivables ³	13,345	7,716
Loss on Sale of Property	519	728
Share of ACTivate Capital's Net Loss	256	-
Loss on Divestment of Investment in the Canberra Business Development Fund ⁴	1,540	-
Other	47	25
Total Other Expenses	17,201	11,125

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 32. OTHER EXPENSES - TERRITORIAL - CONTINUED

¹ The decrease is primarily attributable to payroll tax surcharge rebates provided to eligible labour hire businesses for a temporary three month period during 2024-25. The number and total value of Act of Grace payments are detailed below:

	No. of Items	2026 \$'000	No. of Items	2025 \$'000
Breakdown of Act of Grace Payments				
Payments Relating to the Refund of Land Tax	22	57	39	53
Payments Relating to the Refund of Land Rent		-	1	6
Payments Relating to the Refund of Payroll Tax		-	19	506
Payments Relating to the Refund of General Rates	1	9	-	-
Payments Relating to Claims for Conveyance Duty Relief	6	154	13	382
Payments Relating to Non-Compliance Fees	1	8	-	-
Total Act of Grace Payments	30	228	72	947

² The decrease in waivers was primarily attributable to a lower value of waivers relating to conveyancing duties, partially offset by a higher value of waivers associated with general rates. The number and value of waivers are outlined below:

	No. of Items	2026 \$'000	No. of Items	2025 \$'000
Breakdown of Waivers				
Payroll Tax Waivers	5	557	4	683
Land Tax Waivers	9	15	168	359
General Rates Waivers	51	554	65	169
Other Waivers	6	140	20	498
Total Waivers	71	1,266	257	1,709

³ The variance is mainly due to an increase in the expected credit loss allowance. For more information refer to Note 34. *Receivables – Territorial*.

⁴ The loss reflects the divestment of the Territory's investment in the Canberra Business Development Fund. As the divestment was finalised in 2025-26, the loss was recognised in the current year. No comparable expense was recognised in the prior year.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

ASSET NOTES – TERRITORIAL

NOTE 33. CASH AND INVESTMENTS - TERRITORIAL

CMTEDD holds a number of bank accounts with the Westpac Banking Corporation as part of the whole of government banking arrangements. Under these arrangements, CMTEDD does not earn interest on the balances of its territorial bank accounts.

CMTEDD's territorial bank accounts generally do not hold cash balances for long periods of time. The end of year balances usually reflect appropriation drawn down prior to the end of the financial year for payments that are required within the first few weeks of the new financial year.

The Territory partners equally with ACVL Limited in the Canberra Business Development Fund to support early-stage businesses that benefit the Canberra region. This investment was fully divested in 2025-26, resulting in the recognition of a loss on disposal. Further information is provided in Note 32 *Other Expenses – Territorial*.

From 2025-26, the Territory represented by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD), holds an interest in the ACTivate Capital Fund (the Fund), an Early-Stage Venture Capital Limited Partnership established to invest in ACT-based start-ups and support the growth of the Territory's innovation ecosystem. The Fund's principal place of business is the Australian Capital Territory.

The Territory's contribution is capped at 50 per cent of total fund commitments, and the fund is managed by EpiCorp GP Pty Ltd as the General Partner. At 30 June 2026, the Territory held a 43 per cent ownership interest in the Fund through a capital commitment of \$10.1 million. The remaining interests are held by private sector investors. Based on an assessment of the governance arrangements and decision-making rights under the Limited Partnership Deed and related agreements, the Territory does not control the Fund. However, the Territory has significant influence over the Fund and therefore accounts for its interest as an associate in accordance with AASB 128 *Investments in Associates and Joint Ventures*.

The investment is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, including directly attributable acquisition costs. Following initial recognition, the carrying amount of the investment is adjusted to recognise the Territory's share of the Fund's post-acquisition profits or losses and movements in other comprehensive income. The Territory's share of the Fund's profit or loss is recognised in the Operating Statement, while its share of movements in other comprehensive income is recognised in Other Comprehensive Income. Distributions received from the Fund reduce the carrying amount of the investment.

The reporting date of the Fund is 30 June, which is consistent with the reporting date of the Territory.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 33. CASH AND INVESTMENTS - TERRITORIAL - CONTINUED

	2026 \$'000	2025 \$'000
(a) Cash and Investment Balances		
Cash at Bank	15,645	24,524
Investment in the Canberra Business Development Fund	-	1,535
Investment in the ACTivate Capital Fund	52	-
Total Cash and Investments	15,697	26,059
(b) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows on Behalf of the Territory to the Related Items in the Statement of Assets and Liabilities on Behalf of the Territory		
Total Cash and Cash Equivalents Recorded on the Statement of Assets and Liabilities on Behalf of the Territory	15,645	24,524
Cash and Cash Equivalents at the End of the Reporting as Recorded in the Statement of Cash Flows on Behalf of the Territory	15,645	24,524
(c) Reconciliation of Operating Result to Net Cash Inflows/(Outflows) from Operating Activities		
Operating Result	(4,282)	140
Add/(Less) Non-Cash Items		
Net Operating Assets/Liabilities Transferred due to Administrative Restructure	16,299	-
Add/(Less) Items Classified as Investing or Financing		
Loss from Sale of Land	519	729
(Gain)/Loss on Investments	1,796	(11)
Cash Before Changes in Operating Assets and Liabilities	14,332	858
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(30,795)	30,915
Increase/(Decrease) in Payables	12,678	(26,681)
Increase in Other Provisions	1,282	1,021
Net Changes in Operating Assets and Liabilities	(16,835)	5,256
Net Cash Inflows from Operating Activities	(2,503)	6,113

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 34. RECEIVABLES - TERRITORIAL

CMTEDD's territorial receivables arise from the collection of general rates, duties, land rent, levies, fees, fines, payroll tax, dividends and income tax equivalents. These are generally due within 30 days after the issue of the notice and/or assessment letters unless other due dates are specified in the notice/assessment letter. ACT monthly payroll tax returns and payments for July through November, and January through May, are due by the seventh day of the following month. The December return is due by January 14. The annual reconciliation returns and payments are due by 28 July of the same year. If the due date falls on a weekend or public holiday, the lodgement and payment due date moves to the next working day. In the event of a tax default by taxpayers, under Section 25 of the *Taxation Administration Act 1999* (TAA), the taxpayer is liable to pay interest on the overdue amount. The interest is charged according to Section 26 of the TAA, which is the sum of the market and premium rate, except for rates, land rent and land tax. Interest is charged according to Section 21 of the *Rates Act 2004* for rates, Section 19 of the *Land Tax Act 2004* for land tax and Section 21 of the *Land Rent Act 2008* for land rent.

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

Dividend and Income Tax Equivalent Receivables

CMTEDD also collects dividends from several ACT Government agencies on behalf of the Territory. Where part of the dividend declared is not paid in the year of declaration, CMTEDD records a receivable equal to the amount to be paid the following year.

The ACT Government's dividend paying entities are also typically required to pay Income Tax Equivalents (ITE) to the Territory, which are payable under the National Tax Equivalent Regime (NTER) as a way of achieving competitive neutrality between government businesses and competitors in the private sector. Tax effect accounting procedures are followed by ITE paying agencies, whereby the ITE expense or revenue for the period is the tax payable/receivable on the current period's taxable income based on the NTER. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Where an ITE paying agency records a payable or receivable to the Territory, CMTEDD records a corresponding receivable or payable.

For further information regarding the dividends declared, income tax equivalents payable/receivable and/or performance of the agencies listed in this note, refer to the respective entity's 2025-26 Financial Statements.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 34. RECEIVABLES - TERRITORIAL - CONTINUED

	2026 \$'000	2025 \$'000
Current Receivables		
General Rates	157,719	160,669
Land Tax	44,934	41,531
Levies	25,850	25,829
Duties ¹	33,377	45,998
Other ²	1,404	152
Less: Expected Credit Loss Allowance ³	(35,844)	(28,608)
Total Current Taxation Receivables and Other Receivables	227,440	245,571
Land Rent	8,509	8,061
Less: Expected Credit Loss Allowance	(1,391)	(1,372)
Total Current Land Rent Receivables	7,118	6,689
Payroll Tax	25,066	24,741
Less: Expected Credit Loss Allowance ⁴	(12,221)	(10,997)
Total Current Payroll Tax Receivables	12,845	13,744
Fees and Fines ⁵	-	47,084
Less: Expected Credit Loss Allowance ⁵	-	(11,103)
Total Current Fees and Fines	-	35,981
Icon Water Limited ⁶	9,868	26,033
City Renewal Authority ⁷	9,373	-
Suburban Land Agency ⁷	125,173	60,341
Public Trustee and Guardian	468	-
Total Current Dividend Receivables	144,883	86,374
Payroll Tax ⁸	74,444	67,383
Duties	8,311	8,341
Income Tax Equivalents ⁹	54,246	14,670
Other Accrued Revenue	2,812	6,586
Total Current Accrued Revenue	139,813	96,980
Total Current Receivables	532,098	485,339
Non-Current Receivables		
Lease Variation Charge Receivables ¹⁰	34,365	46,400
Less: Expected Credit Loss Allowance ¹¹	(3,932)	-
Total Non-Current Receivables	30,433	46,400
Total Receivables	562,531	531,739

Chief Minister, Treasury and Economic Development Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 34. RECEIVABLES - TERRITORIAL - CONTINUED

- ¹ The decrease in duty receivables was primarily driven by improved collections of Commercial Conveyancing Duties, partially offset by an increase in Residential Conveyancing Duty receivables in line with associated revenue.
- ² The increase is mainly due to the reclassification of receivables relating to ACT Government Beneficial Services to the Diplomatic Community from "Fees and Fines" to this category in 2025-26, following the transfer of Access Canberra Fees and Fines related functions as part of the Administrative Arrangements 2025 (No 1).
- ³ The increase in the Expected Credit Loss (ECL) allowance for Current Taxation Receivables and Other Receivables was primarily driven by receivables relating to both Rates and City Centre Marketing and Improvements levies. Although the combined aged receivables balance decreased slightly, the ageing profile deteriorated during the year, with a greater proportion of debt moving into older overdue categories that attract higher ECL rates. The latest available default rate data also increased the overall weighted average loss rate, resulting in a higher ECL allowance.
- ⁴ The increase in the ECL allowance for Payroll Tax was primarily driven by an increase in credit loss rates based on the most recent available data, leading to a higher ECL allowance.
- ⁵ The decrease in Fees and Fines receivables is primarily attributable to the transfer of Access Canberra to CED as a result of Administrative Arrangements 2025 (No 1). Consequently, receivables and the associated Expected Credit Loss (ECL) allowance previously recognised through Access Canberra are no longer included in CMTEDD's financial statements.
- ⁶ The decrease is due to lower dividend distributions from Icon Water Limited declared at financial year end, reflective of the timing of their dividend arrangements. For further information, please refer to Note 30. *Dividend Revenue - Territorial*.
- ⁷ The increase reflects an improved operating result and higher associated dividend distributions from the Suburban Land Agency and the City Renewal Authority. For further information, please refer to Note 30. *Dividend Revenue - Territorial*.
- ⁸ The increase is consistent with the growth in Payroll Tax revenue receipts during the year. For further information, refer to Note 28. *Taxes, Licences, Fees and Fines*.
- ⁹ The increase was primarily driven by higher Commonwealth income tax equivalent payments from the Suburban Land Agency due to favourable market conditions. For further information, refer to Note 28. *Taxes, Licences, Fees and Fines*.
- ¹⁰ The decrease primarily reflects the withdrawal of significant Development Applications.
- ¹¹ This reflects the initial recognition of an ECL allowance for Deferred Lease Variation Charge (DLVC) receivables in 2025-26. DLVC receivables were included in the ECL model for the first time following the availability of sufficient historical data and other relevant credit risk information to support a reliable estimate of expected credit losses.

Expected Credit Loss Allowance

The allowance for expected credit losses represents the amounts of taxes, fees and fines receivable that the CMTEDD estimates will not be paid.

The allowance for expected credit losses of territorial receivables is based on the lifetime expected credit losses at each reporting date. CMTEDD has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Loss rates are calculated separately for groupings of receivables with similar loss patterns. CMTEDD has determined there are five material groups for measuring expected credit losses based on the nature of revenue streams. These are Secured Taxation, Land Rent, Payroll Tax, Lease Variation Charge, and Fees, Fines and Other Receivables. Secured Taxation includes Ambulance Levy, Energy Industry Levy, Conveyance Duty, General Rates and Land Tax. For Secured Taxation, it relies on a statutory charge mechanism that legally restricts the transfer of property until outstanding amounts are settled. This legal barrier provides a particularly strong and enforceable form of credit protection, enhancing the recoverability of the debts.

The calculations reflect historical observed default rates calculated using credit losses experienced on past statutory charges transactions during the last two to three years preceding 30 June 2025. The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.

Inter-agency dividends and receivables between ACT Government agencies are expected to have low credit risks. Consequently, the ACT Government's policy is that receivables internal to the ACT Government are not assessed for credit losses.

Chief Minister, Treasury and Economic Development Directorate
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The amount of the expected credit loss is recognised in the Statement of Income and Expenses on Behalf of the Territory (see Note 32. *Other Expenses - Territorial*). Where the Directorate has no reasonable expectation of recovering an amount owed by a debtor, and the cost to recover the debt is more than the debt amount, the debt is written-off by directly reducing the receivable against the loss allowance.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 34. RECEIVABLES - TERRITORIAL - CONTINUED

Expected Credit Loss Allowance

Significant Accounting Judgements and Estimates – Expected Credit Loss Allowance

CMTEDD has made a significant estimate in the calculation of the expected credit loss allowance for impairment losses for territorial receivables. This is based on several categorisations of receivables, and the use of an expected credit loss provision matrix. The categorisations are considered by management to be appropriate and accurate, based upon the demonstrated pattern of collections in recent financial years, general economic conditions and an assessment of both the current and forecast direction of conditions as at reporting date.

	2026 \$'000	2025 \$'000
Reconciliation of the Loss Allowance for Receivables		
Allowance at the Beginning of the Reporting Period	(52,080)	(53,551)
Reduction in allowance from Amounts Transferred out due to Administrative Arrangements ¹	11,103	-
Expected Credit Loss Expense:		
- Secured Taxation Receivables	(7,236)	(305)
- Land Rent Receivables	(19)	3,209
- Payroll Tax Receivables	(1,225)	(1,928)
- Lease Variation Charge	(3,932)	-
- Fees, Fines and Other Receivables ¹	-	495
Total Expected Credit Loss Expense	(12,412)	1,471
Loss Allowance at the End of the Reporting Period	(53,389)	(52,080)

¹ The reduction relates to the expected credit loss allowance associated with Access Canberra's receivables, which was transferred out as part of the machinery-of-government changes.

Expected Credit Loss Allowance Provision Matrices – Ageing of Non-ACT Government Territorial Receivables

Land Rent Receivables

	Total \$'000/%	Not Overdue \$'000/%	Overdue			
			Less than 30 Days \$'000/%	31 to 60 Days \$'000/%	61 to 90 Days \$'000/%	Greater than 90 Days \$'000/%
2026						
Expected Credit Loss Rate	16.35%	1.27%	2.13%	3.98%	4.96%	18.02%
Estimated Total Gross Carrying Amount at Default	8,509	368	120	389	56	7,576
Expected Credit Loss Allowance	(1,391)	(5)	(3)	(15)	(3)	(1,366)
2025						
Expected Credit Loss Rate	17.02%	1.67%	3.55%	6.20%	8.00%	18.61%
Estimated Total Gross Carrying Amount at Default	8,061	180	169	516	75	7,121
Expected Credit Loss Allowance	(1,372)	(3)	(6)	(32)	(6)	(1,325)

Chief Minister, Treasury and Economic Development Directorate
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NOTE 34. RECEIVABLES - TERRITORIAL - CONTINUED

Current Taxation Receivables and Other Receivables

	Total	Not Overdue	Overdue			
			Less than 30 Days	31 to 60 Days	61 to 90 Days	Greater than 90 Days
	\$'000/%	\$'000/%	\$'000/%	\$'000/%	\$'000/%	\$'000/%
2026						
Expected Credit Loss Rate	13.61%	0.66%	2.13%	7.50%	10.47%	20.44%
Estimated Total Gross Carrying Amount at Default	263,284	62,987	17,663	11,420	8,067	163,148
Expected Credit Loss Allowance	(35,844)	(417)	(376)	(857)	(845)	(33,348)
2025						
Expected Credit Loss Rate	10.44%	0.25%	1.06%	4.27%	5.94%	15.92%
Estimated Total Gross Carrying Amount at Default	274,027	52,716	21,868	21,826	9,663	167,954
Expected Credit Loss Allowance	(28,608)	(134)	(232)	(933)	(574)	(26,735)

Payroll Tax Receivables

	Total	Not Overdue	Overdue			
			Less than 30 Days	31 to 60 Days	61 to 90 Days	Greater than 90 Days
	\$'000/%	\$'000/%	\$'000/%	\$'000/%	\$'000/%	\$'000/%
2026						
Expected Credit Loss Rate	48.76%	0.90%	1.58%	13.04%	19.43%	52.16%
Estimated Total Gross Carrying Amount at Default	25,066	451	631	543	278	23,164
Expected Credit Loss Allowance	(12,221)	(4)	(10)	(71)	(54)	(12,083)
2025						
Expected Credit Loss Rate	44.45%	1.24%	1.91%	12.66%	19.18%	51.49%
Estimated Total Gross Carrying Amount at Default	24,741	2,342	629	308	417	21,045
Expected Credit Loss Allowance	(10,997)	(29)	(12)	(39)	(80)	(10,837)

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 34. RECEIVABLES - TERRITORIAL - CONTINUED

Fees and Fines Receivables

	Total	Not Overdue	Overdue			
			Less than 30 Days	31 to 60 Days	61 to 90 Days	Greater than 90 Days
	\$'000/%	\$'000/%	\$'000/%	\$'000/%	\$'000/%	\$'000/%
2026						
Expected Credit Loss Rate ²	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated Total Gross	-	-	-	-	-	-
Carrying Amount at Default						
Expected Credit Loss	-	-	-	-	-	-
Allowance						
2025						
Expected Credit Loss Rate	23.51%	2.41%	20.35%	33.71%	40.89%	50.47%
Estimated Total Gross	47,236	23,020	3,503	2,406	2,223	16,084
Carrying Amount at Default						
Expected Credit Loss	(11,103)	(554)	(713)	(811)	(909)	(8,117)
Allowance						

² The ECL allowance previously recognised for Fees and Fines receivables was fully reversed in 2025-26 following the transfer of the Access Canberra receivable portfolio under the Machinery of Government changes. Consequently, Fees and Fines decreased as at 30 June 2026. The remaining receivables balance was assessed as immaterial for ECL purposes and, accordingly, no ECL allowance was recognised at year end.

Deferred Lease Variation Charge Receivables

	Total	Not Overdue	Overdue			
			Less than 30 Days	31 to 60 Days	61 to 90 Days	Greater than 90 Days
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2026						
Expected Credit Loss Rate	11.44%	11.44%	0.00%	0.00%	0.00%	0.00%
Estimated Total Gross	34,365	34,365	-	-	-	-
Carrying Amount at Default						
Expected Credit Loss	(3,932)	(3,932)	-	-	-	-

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 35. ASSETS HELD FOR SALE - TERRITORIAL

Description and Material Accounting Policies Relating to Assets Held for Sale

CMTEDD acquires blocks of land from the Suburban Land Agency (SLA) for the Land Rent Scheme (LRS) as part of the Government's Affordable Housing Action Plan. Lessees can convert their land rent lease to a nominal crown lease at any time, with a 12-month period to pay the determined payout amount. "Assets Held for Sale" refers to land blocks identified for immediate sale in their present condition, with the sale highly probable once the title conversion application is lodged. As at 30 June 2026, CMTEDD held 12 blocks of land classified as Assets Held for Sale.

These assets are measured at the lower of their carrying amount and fair value less costs to sell.

For blocks under the LRS, when reclassified from "non-current assets" to "assets held for sale", the carrying amount is the net book value (NBV) as of 30 June of the year preceding when title conversion application is lodged. The fair value is the price expected to be received upon sale, determined at the time the application is lodged. In most cases, the carrying amount upon reclassification matches the fair value, except when the application is lodged in June, in which case the fair value is lower. Assets held for sale are not depreciated.

	2026	2025
	\$'000	\$'000
Assets Held for Sale		
Carrying Amount at the Beginning of the Reporting Period	8,045	8,045
Reclassified as Assets Held for Sale ¹	14,729	-
Transfers from Assets Held for Sale to Property ¹	(3,380)	
Disposals ¹	(12,944)	-
Total Assets Held for Sale	<u>6,450</u>	<u>8,045</u>

¹ The variance reflects the introduction of a policy applied in 2024-25 relating to the Land Rent Scheme, whereby eligible land blocks are classified as "Assets Held for Sale" upon lodgement of a title conversion application. Initial application of the policy occurred at 30 June 2025, prior to which disposals of land under the LRS were recognised directly within Property.

Fair Value Hierarchy

All CMTEDD's Assets Held for Sale are at fair value and classified as Level 2 in the Fair Value Hierarchy. The Fair Value Hierarchy is discussed in Note 36 *Property - Territorial*.

Transfers between Categories

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

Valuation Techniques, Inputs and Processes

Level 2 fair values of assets held for sale are derived using the market approach. These assets have been measured at the lower of carrying amount and fair value less costs to sell. The fair value is the price that would be received to sell the blocks of land in its current condition. For LRS, this is generally the unimproved value determined at the time the title conversion application is lodged.

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Notes to and Forming Part of the Financial Statements
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NOTE 36. PROPERTY - TERRITORIAL

Property includes land, but not assets held for sale or investment properties.

The land related accounting policies described in Note 14 *Property, Plant and Equipment*, also apply to this note unless otherwise stated in this note.

Land includes leasehold land held by CMTEDD on behalf of the Territory for the Land Rent Scheme (the Scheme), which commenced on 1 July 2008. The Scheme is part of the ACT Government's Affordable Housing Action Plan and it provides the public with the option of renting blocks of residential land rather than purchasing the land outright. CMTEDD purchases the land from the Suburban Land Agency (SLA). As at 30 June 2026, CMTEDD held 405 land blocks (424 blocks as at 30 June 2025) rented under the Scheme.

Land Held for Sale is reported under Note 35. *Assets Held for Sale – Territorial* because these blocks are identified for immediate sale in their present condition, with the sale highly probable once the title conversion application is lodged.

Valuation of Property

CMTEDD's land rent assets purchased before 1 January 2026 are recorded based on unimproved values which are supplied by the ACT Valuation Office to the Commissioner for Revenue for rating purposes. Assets purchased after 1 January 2026 are recorded at cost. The overall reported value of land rent assets approximately reflects fair value. Refer to the Significant Accounting Judgements and Estimates – Fair Value of Assets explanation in Note 14 *Property, Plant and Equipment* for more information.

Reconciliation of Property

The following table shows the movement of Property during 2025-26 and 2024-25.

	2026 Land \$'000	2025 Land \$'000
Carrying Amount at the Beginning of the Reporting Period	223,083	243,770
Transfer from Assets Held for Sale to Property ¹	3,380	-
Disposals ²	-	(13,151)
Revaluation Increment for PPE ³	4,435	601
Revaluation Increment/(Decrement) for Assets reclassified as Assets Held for Sale	12	(92)
Reclassified to Assets Held for Sale ⁴	(14,729)	(8,045)
Carrying Amount at the End of the Reporting Period	216,181	223,083

¹ The variance is primarily due to the reclassification of land blocks from assets held for sale to non-current property following the lapse of the planned sales. Refer to Note 35. *Assets Held for Sale – Territorial* for more information.

² The variance is due to disposals for assets revoked from assets held for sale adjustments in Property moving to assets held for sale in 2025-26. Refer to Note 35. *Assets Held for Sale – Territorial* for more information.

³ The increase is mainly due to a rise in the unimproved value of blocks in 2025-26.

⁴ The variance is due to more land rent blocks which are pending settlement in 2025-26 in comparison to the previous financial year. Refer to Note 35. *Assets Held for Sale – Territorial* for more information.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 36. PROPERTY - TERRITORIAL - CONTINUED

Fair Value Hierarchy

CMTEDD is required to classify property into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. CMTEDD's property is classified as Level 2. Refer to the Fair Value explanation in Note 14 *Property, Plant and Equipment*, for more information.

Transfers Between Categories

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

Level 2 Valuation Techniques, Inputs and Processes

Valuation Technique: The fair value of land held under the scheme is determined through annual revaluations by the ACT Valuation Office (ACTVO). These valuations serve to:

- Determine the Unimproved Value (UV) which appears on rates notices and is used to calculate rent payments or sale prices.
- Determine the fair value of land held in the CMTEDD asset register.

Inputs: The ACT Valuation Office (ACTVO) assesses unimproved land value based on recent sales evidence and other market indicators for similar blocks. If vacant land sales data is unavailable, sales of improved properties are referenced, with deductions made for improvements.

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

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

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LIABILITY NOTES – TERRITORIAL

NOTE 37. PAYABLES - TERRITORIAL

Payables include Trade Payables, Other Payables, Accrued Expenses, and Payables to the Territory Banking Account. Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition, at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Trade and Other Payables

Trade and Other Payable amounts are normally settled within 14 days after the invoice date.

Payables to the Territory Banking Account (TBA)

CMTEDD collects the majority of the Territory's taxes, licences, fees and fines revenue, as well as dividends from several ACT Government agencies. Where an amount of taxes, fees or fines revenue has not been collected by the end of the financial year, or part of a declared dividend is not paid in the year of declaration, CMTEDD records a receivable equal to the amount to be paid the following year. Whenever CMTEDD is required to record a receivable, an equivalent payable to the TBA is also recorded, as all Territorial revenue received must be forwarded to the TBA immediately after receipt (refer Note 34. *Receivables - Territorial*).

	2026	2025
	\$'000	\$'000
Current Payables		
Trade Payables	72	409
Accrued Expenses	6,849	7,564
Payable to TBA (including accruals) ¹	523,019	493,325
Net Goods and Services Tax Payable to the Australian Taxation Office	9	7
Total Current Payables	529,949	501,305
Non-Current Payables		
Payable to TBA (including accruals) ²	30,433	46,400
Total Non-Current Payables	30,433	46,400
Total Payables	560,382	547,705
Payables are Aged as Follows:		
Not Overdue	560,377	547,705
Overdue for Less than 30 Days	5	-
Total Payables	560,382	547,705

¹ The increase in Current Payables to TBA relates to the corresponding increase in receivables. For more information, please refer Note 34. *Receivables – Territorial*.

² The decrease in Non-Current Payables to TBA relates to the reduction of the Deferred Lease Variation Charge (DLVC) Receivables. For more information, please refer Note 34. *Receivables – Territorial*.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
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OTHER NOTES - TERRITORIAL

NOTE 38. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - TERRITORIAL

Description and Material Accounting Policies Relating to Restructure of Administrative Arrangements

A restructure of administrative arrangements (AAs) is the reallocation or reorganisation of assets, liabilities, activities and responsibilities amongst the agencies 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 government's controlled agencies.

AAs do not apply to the transfer of individual assets between agencies, but instead they involve the transfer of an integrated set of activities, mainly for the purpose of reducing overall costs or providing other economic benefits to the community. They involve a discrete function being transferred between agencies. As such, AAs often involve the transfer of appropriations, staff, bank accounts, assets and liabilities.

AA transfers are classified as contributions by/distribution to owners and as such are accounted for as an equity transfer. AA transfers are measured at the carrying value recorded by the transferor immediately prior to the transfer.

Restructure of Administrative Arrangements during 2025-26

The ACT Government issued the *Administrative Arrangements 2025 (No 1)* (Notifiable Instrument NI2025-350) on 25 June 2025, which involved the Access Canberra Territorial moving from CMTEDD to the newly formed City and Environment Directorate (CED).

Following the Administrative Arrangements effective from 1 July 2025, Access Canberra Territorial was transferred from CMTEDD Territorial to the City and Environment Directorate (CED) Territorial. Accordingly, territorial revenue collected under these functions, together with associated transfer payments to Government and certain directly attributable territorial expenses, are recognised in CED Territorial's financial statements. Significant revenue streams include motor vehicle registration fees, driver licence fees, infringement and parking fines, water abstraction charges, notices of intention fees, land title fees and other regulatory charges.

Consistent with the ACT Government financial reporting framework, employee and operating costs incurred in administering these functions are transferred from CMTEDD Controlled to CED Controlled.

Assets and Liabilities

Assets and liabilities transferred as part of a restructuring of administrative arrangements are recognised by CED Territorial at CMTEDD Territorial's carrying amount. The amounts are agreed with the transferee prior to the transfer. The assets and liabilities transferred as part of the restructuring of administrative arrangements at the dates of transfer were as follows:

	Total Amounts Transferred 2026 \$'000
Assets	
Cash and Cash Equivalents	6,627
Receivables	38,952
Total Assets Transferred	45,579
Liabilities	
Payables	55,251
Total Liabilities Transferred	55,251
Total Net Assets Transferred	(9,672)

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 39. FINANCIAL INSTRUMENTS - TERRITORIAL

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in the note to which they relate.

The carrying amount for all financial assets and liabilities reflect their fair value and are non interest-bearing.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

CMTEDD Territorial's exposure to interest rate risk is negligible, as substantially all financial assets and financial liabilities within the scope of its financial instrument disclosures are held under non-interest-bearing arrangements.

Liquidity Risk

Liquidity risk is the risk that the Agency will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. CMTEDD's main financial liabilities relate to various grant and subsidy schemes, primarily associated with Community Service Obligations (CSOs). These schemes provide financial assistance to eligible recipients, including support for utility costs, transport expenses and the purchase of spectacles.

The main source of cash used to meet these obligations is appropriation funding from the ACT Government. Appropriations are generally drawn down fortnightly throughout the year. CMTEDD manages liquidity risk by forecasting its appropriation drawdown requirements to ensure sufficient funds are available to settle financial liabilities as they fall due.

CMTEDD exposure to liquidity risk is considered immaterial.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. CMTEDD's territorial credit risk is limited to the amount of the financial assets held less any allowance for impairment losses. CMTEDD expects to collect all territorial financial assets that are not past due or impaired.

Cash is held with the Westpac Banking Corporation, in accordance with the whole of government banking arrangements. These arrangements minimise risk by ensuring that cash is held with high quality financial institutions under whole of government banking arrangements.

With regard to taxes and fines receivables, CMTEDD has no choice in providing credit. If the debtor does not pay, the Territory (through CMTEDD) has a number of options under the *Taxation Administration Act 1999*, including recovery by court action, power to make a payment arrangement, and garnishee. In the case of unpaid rates, land tax, and land rent, CMTEDD has the further option of selling the related property in order to meet outstanding rate debts.

CMTEDD manages the credit risk for receivables by regularly monitoring its receivables and issuing monthly statements to overdue account holders (late payers) where required. Analysis of the expected credit loss for receivables is provided at Note 34 *Receivables - Territorial*.

Dividends receivable are not considered a credit risk, as they are from ACT Government entities. Other than dividends receivable, there is no significant concentration of credit risk that has been identified in this analysis.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 39. FINANCIAL INSTRUMENTS – TERRITORIAL - CONTINUED

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Directorate's territorial operations were exposed to price risk through its investment in the Canberra Business Development Fund (CBDF), however during the year the Directorate fully divested its investment in the CBDF.

NOTE 40. COMMITMENTS - TERRITORIAL

Description and Material Accounting Policies Relating to Commitments

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

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

Other Commitments

The Territory is an initial limited partner in ACTivate Capital (the Fund), an early-stage venture capital fund established under a Limited Partnership Deed (the Deed) and associated governing documents. The Fund is managed by an independent fund manager.

Under the governing documents, the Territory has committed up to \$10.100 million to the Fund. Although the Deed and associated governing documents were executed in February 2025, the Territory's funding obligations were subject to specific conditions including the registration as an Early Stage Venture Capital Limited Partnership, which did not occur until October 2025. As those conditions had not been fully satisfied at 30 June 2025, the Territory did not have a legally binding commitment at that date. Accordingly, no commitment was disclosed for the prior year.

The required conditions were satisfied during 2025-26, at which time the Territory's commitment became legally binding. At 30 June 2026, the Territory has paid capital contributions of \$0.309 million, leaving an uncalled capital commitment of \$9.791 million. All capital calls issued up to 30 June 2026 had been paid. Accordingly, there were no unpaid capital calls or associated liabilities at the reporting date.

The remaining commitment may be called progressively to fund eligible investments, management fees and recoverable expenses in accordance with the governing documents. The timing and amount of future capital calls depend on eligible investment opportunities and the Fund's other permitted funding requirements.

	2026 \$'000	2025 \$'000
Payable:		
- within one year ¹	258	-
- later than one year but not later than five years ¹	1,050	-
- later than five years	8,483	-
Total Capital Commitments ²	9,791	-

¹ No amounts relating to underlying investments have been included within the next five years, as the General Partner had not entered into any binding investment agreements as at 30 June 2026. However remaining commitments may be called on progressively depending on eligible investment opportunities and investment decisions made by the independent fund manager.

² Total commitments represent estimated capital expenditure based on the Territory's participating interest in the Fund at 30 June 2026.

Chief Minister, Treasury and Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 41. BUDGETARY REPORTING - TERRITORIAL

The following are brief explanations of major line-item variances between the 2025-26 Original budget (as published in the 2025-26 Budget Statements) and the 2025-26 actual outcomes. The Original Budget refers to the original budgeted financial statements presented to the Legislative Assembly in a form that is consistent with CMTEDD's annual financial statements.

Significant Accounting Judgements and Estimates

Significant judgements have been applied in determining what variances are considered as 'major variances'. Variances are considered major if both of the following criteria are met:

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

	Actual 2025-26 \$'000	Original Budget 2025-26 \$'000	Variance \$'000	%
Statement of Assets and Liabilities on Behalf of the Territory Line Items				
Assets				
Receivables - Current ¹	532,098	700,775	(168,677)	(24%)
Receivables - Non-Current ²	30,433	48,424	(17,991)	(37%)
Liabilities				
Payables - Current ³	529,949	691,173	(161,224)	(23%)
Payables - Non-Current ³	30,433	54,266	(23,833)	(44%)
¹ The decrease mainly reflects the reduction in external receivables for Taxes, Fees and Fines, which is partially offset by higher Income Tax Equivalents receivables.				
² The decrease primarily reflects the lapsing of lease variations during the year, as well as the recognition of an expected credit loss allowance for Deferred Lease Variation Charge (DLVC) debts.				
³ The decrease in payables largely reflect the movements in receivables explained above, as most funds received through the territorial accounts are on-passed to the Territory Banking Account (TBA).				
Statement of Cash Flows on Behalf of the Territory Line Items				
Cash Flows from Investing Activities				
Receipts				
Proceeds from the Sale of Property ¹	12,425	36,141	(23,716)	(66%)
Cash Flows from Financing Activities				
Payments				
Distributions to Government ¹	12,631	36,142	(23,511)	(65%)
¹ The decrease is mainly due to lower than budgeted sales of land rent blocks and the associated distribution of cash to the Territory Banking Account (TBA).				

Capital Works

Capital Works 2025-26

Table 1: 2025-26 Capital works, new, in progress and completed projects

Projects	Estimated completion date	Original project value (\$'000)	Revised project value (\$'000)	Prior year expenditure (\$'000)	2025-26 Actual expenditure (\$'000)	Total expenditure to date (\$'000)
New projects						
2025-26 Asset Renewal Program	Jun-27	4,136	4,136	-	1,358	1,358
Canberra Convention and Entertainment Centre Precinct	Jun-27	9,645	9,645		244	244
Investing in Stromlo Forest Park tracks and trails	Jun-27	900	900	-	110	110
Progressing the partnership with Telstra enabling the reopening of Telstra Tower	Dec-26	233	233	-	24	24
Supporting Revenue Office systems and processes	Jun-27	12,520	12,520	-	4,934	4,934
Supporting local sport:						
– New pavilion and playing fields for Taylor	Jun-27	1,560	1,560	-	9	9
– Stromlo District Playing Fields – Stage 1 Construct	Jun-28	35,365	35,365	-	-	-
Total New Projects		64,359	64,359	-	6,679	6,679
Works in Progress						
Arts and culture:						
- Celebrating significant women	Jun-27	300	300	64	122	186

Projects	Estimated completion date	Original project value (\$'000)	Revised project value (\$'000)	Prior year expenditure (\$'000)	2025-26 Actual expenditure (\$'000)	Total expenditure to date (\$'000)
- Gorman House Arts Centre Centenary upgrade	Jun-27	12,900	12,900	532	3,058	3,590
Better community infrastructure:						
- Expanding the Belconnen Basketball Stadium	May-27	938	938	43	392	435
- Gungahlin Tennis Facility	Jun-27	9,834	13,334	211	5,232	5,443
Investing in public services:						
- Implementing the Procurement Reform Program	Jun-26	114	114	-	-	-
Maintaining and growing affordable housing – Gungahlin Common Ground Build to Rent ¹	Jun-26	391	391	-	-	-
Government Budget Management System	Jun-27	5,302	5,302	4,516	39	4,555
Progress work on key entertainment, events, sports and tourism events infrastructure projects	Jun-27	8,264	7,243	2,153	882	3,035
Upgrading venues for major events	Jun-27	3,569	3,569	883	709	1,592
Total Works in Progress		41,612	44,091	8,402	10,434	18,836
Complete (pending final physical and financial acquittal)						
2024-25 Asset Renewal Program	Completed	4,254	3,496	2,752	665	3,419
More and better jobs – Expanding Belconnen Arts Centre	Completed	15,000	15,000	14,920	118	15,038

Projects	Estimated completion date	Original project value (\$'000)	Revised project value (\$'000)	Prior year expenditure (\$'000)	2025-26 Actual expenditure (\$'000)	Total expenditure to date (\$'000)
Backing our Arts and Entertainment - Upgrades to Tuggeranong Arts Centre Theatre	Completed	2,000	2,000	1,787	225	2,012
Phillip District Enclosed Oval Upgrade	Completed	6,933	6,933	6,422	547	6,969
Phillip District Enclosed Oval - additional funding	Completed	1,764	1,764	-	2,169	2,169
Investing in public services – Improving ACT Public Service flexibility	Completed	5,608	5,608	4,780	2	4,782
Upgrading Canberra venues	Completed	8,059	6,343	5,219	13	5,232
A new Fitzroy Pavilion for community events	Completed	4,590	4,590	4,338	86	4,424
- ICT support of ACT Revenue Office Systems	Completed	6,741	6,741	6,465	276	6,741
Upgrading local arts facilities	Completed	688	1,675	1,644	28	1,672
Total Complete		55,637	54,150	48,327	4,129	52,458
Total Capital Works 2025-26		161,608	162,600	56,729	21,242	77,973

1. This project has been transferred to the City and Environment Directorate following the transfer of Affordable and Community Housing Policy function as part of *Administrative Arrangement 2025 No 2*.

Reconciliation Schedules

Table 2: Reconciliation of current year capital works program financing to capital injection as per cash flow statement

	\$'000
Original capital works program financing	44,399
Capital injection funded projects not included in Capital works program ¹	36,104

	\$'000
Total capital injection financing (as per 2025-26 Budget)	80,503
Section 16B Rollovers from 2024-25	9,798
Transfer of Capital Injection	-391
Capital Injection Reclassified to Controlled Recurrent Payments	-1,400
Capital Injection not drawn in 2025-26	-29,587
Capital injections per cash flow statement	58,923

1. Capital injection funded projects not included in the capital works program largely relate to the Sustainable Household Scheme.

Table 3: Reconciliation of Total 2025-26 expenditure to capital injection as per cash flow statement

	\$'000
Total 2025-26 Capital works program expenditure	21,742
Expenditure for projects in the capital works program funded by Own Source Revenue	-500
2025-26 Capital Works Program Expenditure as per Table 1	21,242
Resources received free of charge	-731
2025-26 Accrual	432
Capital injection for prior year expenditure	1,582
Capital injection expenditure for projects not in the capital works program ¹	36,398
Capital injections per cash flow statement	58,923

1. Capital injection funded projects not included in the capital works program largely relate to the Sustainable Household Scheme.

Contact

For further information, please contact

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Asset Management

Assets managed

The directorate managed assets with a total value of \$344.3 million as at 30 June 2026, comprising \$283.4 million of property, plant and equipment, \$40 million of capital works in progress, \$15.6 million of intangible assets, and \$5.3 million of investment property.

The managed assets exclude the value of Right of Use (ROU) assets associated with leases, as ROU assets are not physical assets. The value of ROU assets as at 30 June 2026 was \$0.6 million for plant and equipment.

Assets managed by CMTEDD as at 30 June 2026 are summarised in the following table.

Table 4: Assets managed by CMTEDD as at 30 June 2026

Asset	Property, plant and equipment (\$million)	Intangible assets (\$million)	Capital works in progress (\$million)	Investment property (\$million)	Total value (\$million)
Land	52.3	0.0	0.0	5.3	57.6
Buildings	119.8	0.0	12.9	0.0	132.7
Leasehold improvements	8.7	0.0	0.0	0.0	8.7
Plant and equipment	16.8	0.0	0.4	0.0	17.2
Community and heritage assets	48.5	0.0	0.6	0.0	49.1
Infrastructure assets	37.3	0.0	5.0	0.0	42.3
Intangible assets	0.0	15.6	4.8	0.0	20.4
Other works	0.0	0.0	16.3	0.0	16.3
Total	283.4	15.6	40.0	5.3	344.3

During 2025-26, additions to CMTEDD's assets included the following:

- \$21.8 million relating to capital works in progress, including upgrades to Fitzroy Pavilion at Exhibition Park in Canberra (Buildings), Stromlo Forest Park (SFP) Carpark Upgrades (Infrastructure), GIO Stadium Upgrades (Leasehold Improvements), and Manuka Oval Upgrades (Buildings and Plant and Equipment); and
- \$21.1 million related to the net impact of the 2026 valuation of selected land, buildings and improvements to land, infrastructure and heritage and community.

During 2025-26, decreases in CMTEDD's assets included the following:

- \$122.4 million relating to the transfer of assets and works in progress to the City and Environment Directorate and Digital Canberra, resulting from the restructure of Administrative Arrangements; and
- \$13.4 million relating to the annual depreciation and amortisation of assets.

Asset maintenance and upgrades

There were no upgrades funded outside the capital works program in 2025-26.

The expenditure on repairs and maintenance was \$3.7 million, which represented 0.7% of the directorate's total insured asset replacement value.

In 2025-26, the directorate conducted 142 building inspections, equivalent to 98 per cent of the directorate's buildings, 49 condition reports, equivalent to 34 per cent of the directorate's buildings and 31 hazardous materials inspections, equivalent to 21 per cent of the directorate's buildings.

Contact

For further information, please contact

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Government Contracting

The online ACT Government Contracts Register records contracts with suppliers of goods, services and works, with a value of \$25,000 or more.

A full search of CMTEDD contracts notified with an execution date from 1 July 2025 to 30 June 2026 can be made at <https://www.tenders.act.gov.au/contract/search>.

Compliance with *Government Procurement Act 2001*

CMTEDD complied with the *Government Procurement Act 2001* during the reporting year. The directorate maintains high standards of probity, integrity, transparency and fairness in procurement, with decisions focused on achieving value for money through consideration of whole-of-life costs, quality, sustainability, strategic alignment and local economic impact.

Conflict of interest and confidentiality arrangements are in place, competitive processes are used where suitable, and evaluations are documented and approved by delegates. The directorate monitors compliance with reporting obligations for notifiable contracts and invoices, legislative requirements for confidentiality provisions, and ensures that Secure Local Jobs Code certification requirements where applicable are met.

Areas of assurance focus include:

- The provision of core and required training to ensure that staff are aware of procurement requirements, and monitoring completion rates (all of which have increased since the previous report). Required Training includes:
 - Procurement and Probity Awareness (for all staff) – current completion rate 92 per cent
 - Foundational Module 3 - Probity in Procurement (supervisors/managers only) - current completion rate 79 per cent
 - Foundational Module 4 - Procurement Delegations (supervisors/managers only) - current completion rate 86 per cent
- Contract management internal audit. The objective of the audit was to provide assurance over the design and effectiveness of contract management controls and confirm these comply to the ACT Government Procurement Framework. The audit found that CMTEDD's contract management arrangements would benefit from adopting a standardised approach to contract management with the audit observing varying degrees of contract management activities being undertaken. Recommendations supported the adoption of the ACT Government Contract Management Guide and for Procurement ACT to increase awareness regarding contract management responsibilities through targeted information sessions and training.

Forward focus includes:

- The establishment of a dedicated Procurement Compliance Team within the Strategic Finance area. This function will provide advice and support, monitor procurement compliance, and report on procurement activities, with a focus on ensuring the directorate meets its legislative and regulatory obligations.
- CMTEDD is planning on enhancing its procurement training during 2026-27. This includes further training for staff on key concepts such as probity, value for money and the procurement lifecycle, and further training for delegates on decision-making challenges and good governance.

Secure Local Jobs Code

In 2025-26 CMTEDD had no exemptions from the Secure Local Jobs Code under section 22G of the *Government Procurement Act 2001*.

Aboriginal and Torres Strait Islander Procurement Policy

Table 5: CMTEDD results for Aboriginal and Torres Strait Islander Procurement Policy Number

Number	ATSIPP Performance Measure	Result
1	The number of unique Aboriginal and Torres Strait Islander Enterprises that respond to Territory tender and quotation opportunities issued from the approved systems	2
2	The number of unique Aboriginal and Torres Strait Islander Enterprises attributed a value of addressable spend in the financial year	24
3	Percentage (%) of the financial year's addressable spend of \$30.71 million that is spent with Aboriginal and Torres Strait Islander Enterprises	2.27%

Contact

For further information, please contact

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Chief Minister, Treasury and Economic Development Directorate

Statement of Performance for the year ended 30 June 2026

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Chief Minister, Treasury and Economic Development Directorate (Directorate) for the year ended 30 June 2026.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2026 are not in agreement with the Directorate's records or do not fairly reflect, in all material respects, the performance of the Directorate, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

The Directorate's responsibilities for the statement of performance

The Director-General is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Directorate.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Directorate's records or do not fairly reflect, in all material respects, the performance of the Directorate, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Directorate, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Directorate.



Ajay Sharma PSM
Auditor-General
30 September 2026

Chief Minister, Treasury and Economic Development Directorate
Statement of Performance
For the Year Ended 30 June 2026

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the directorate's records and fairly reflects the service performance of the directorate for the year ended 30 June 2026, and also fairly reflects the judgements exercised in preparing it.



Russ Campbell
Acting Director-General
Chief Minister, Treasury and Economic Development Directorate

29 September 2026

Chief Minister, Treasury and Economic Development Directorate 2025-26 Statement of Performance

The following Statement of Performance sets out the performance of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) against the accountability indicator targets set during the 2025-26 Budget process.

When reading the following Statement of Performance please note:

- All tables in this report should be read in conjunction with the accompanying notes and explanations.
- All variances are rounded to the nearest whole number.
- All variances are calculated before rounding.
- Negative variances are indicated using brackets.
- The ACT Audit Office examined all accountability indicators in accordance with the *Financial Management Act 1996* (FMA Act). In accordance with the Financial Management (Statement of Performance Scrutiny) Guidelines 2019, the ACT Audit Office did not examine results for total cost and controlled recurrent payments.
- The term 'total costs' in the accountability indicator output tables refers to the total expenditure against that output minus any intra-directorate transactions which are eliminated. The total cost for all outputs equals total expenditure reported in the CMTEDD Financial Statements.
- The term 'controlled recurrent payments' in the accountability indicator output tables refers to revenue received from the ACT Government to fund the net costs of delivering outputs. Controlled recurrent payments is recognised when CMTEDD gains control over the funding which is obtained upon the receipt of cash, given it does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15 Revenue from *Contracts with Customers*.
- The term 'Own Source Revenue' is the revenue that CMTEDD generates through the functions and services it delivers, predominantly relating to taxation and the sale of goods and services. This excludes Government Appropriation and Commonwealth Grants.

Output Class 1: Government Strategy

Output 1.1: Government Policy and Reform

Through this output the Directorate provides advice and support to the Chief Minister, the Head of Service and the Director-General on complex policy matters. We perform a central agency coordination role in strategic planning and social, economic and regional policy, including high priority reforms and effective delivery of government policies and priorities.

Policy and Cabinet will deliver this output by:

- providing ongoing advice to the Chief Minister and the ACT Government in relation to whole of government policy development and priorities, and the implementation of key government decisions;
- supporting the Chief Minister as Chair of Cabinet and the Head of Service as Secretary of Cabinet;
- supporting the Head of Service as Chair of the Strategic Board and providing advice on whole of service government issues;
- leading, coordinating and monitoring policy and project initiatives to promote across government outcomes and delivery;
- supporting the development and improvement of policy capabilities, including design and evaluation, across government;
- through the Deputy Director-Generals' Group, led by the Deputy Director-General Policy and Cabinet, continuing to support information sharing and whole of government coordination on priority issues;
- leading development of ACT positions on national policy issues and the ACT Government's participation in National Cabinet, the Council for the Australian Federation and their sub-groups;
- leading the Government's engagement with regional stakeholders on mutually beneficial activities including the NSW Government and the NSW Cross-Border Commissioner, the Canberra Region Joint Organisation and local councils in the Canberra Region;
- continuing to embed the ACT Wellbeing Framework, including working with the Australian Bureau of Statistics and the Australian National University to develop the pilot implementation of the Life Course Data Initiative as a tool to expand the Wellbeing evidence base;
- providing advice and support to Cabinet and the Manager of Government Business in the Legislative Assembly;
- through the Territory Records Office, driving the ACTPS' growing capability and maturity in digital recordkeeping; and
- preserving the ACT Government's archival records and providing services and initiatives that make them available to the public.

Table 1: Accountability Indicators Output 1.1

	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Whole of government policy and project initiatives	3	3	0	
b. Regional partnerships and participation	2	1	(50)	1
c. Support for National Cabinet, CAF and FSG	5	5	0	
d. Government Progress Report	1	1	0	
e. Cabinet and Assembly Support	2	2	0	
f. Number of hours assisting client research in the ACT Heritage Library	650	273	(58)	2
Total Cost (\$'000)	27 750	28 163	2	
Controlled Recurrent Payments (\$'000)	18 372	19 342	5	3

Accountability Indicator Descriptions:

- a. This accountability indicator incorporates key government policy and project initiatives to be delivered during the year. Scope, delivery and timing of initiatives may vary depending on emerging priorities that impact on resource availability. Initiatives scheduled for delivery in 2025-26 include the following:
- Deliver the ACT's commitment to undertake a research project using the data assembled for the Life Course Data Initiative.
In 2025-26, Policy and Cabinet Division commissioned research as part of the ACT Government participation in the Life Course Data Initiative (LCDI). The research project, being undertaken by the Australian National University, will examine the impact on wellbeing of changes in the labour market, particularly the decline in lower-skilled jobs.
 - Release an update of the Wellbeing Data Dashboard during 2025-26.
The data dashboard for the ACT Wellbeing Framework was released on 15 April 2026 <https://www.act.gov.au/wellbeing/explore-overall-wellbeing>. The update included 97 measures, with new or updated data for 80 measures.
 - Develop a suite of tools, guidance and training opportunities in policy development to further strengthen the ACT Public Service policy capability.
Policy and Cabinet delivered resources to strengthen ACT Public Service policy including through: policy feedback to directorates; e-learning on Cabinet processes; updated information on the Wellbeing Toolkit intranet site; information sessions on identifying wellbeing impacts; initiation of an Executive Group Manager level policy group to improve policy collaboration; continuation of Deputy-Director General Group as high-level policy coordination; publishing of a policy development resource hub on the ACTPS intranet to improve the accessibility of frameworks, resources and guidance on policy development; and commencement of planning for a whole of government policy capability workshop and panel series for implementation in 2026-27.
- b. This accountability indicator covers the administration of key partnerships with the surrounding regional governments through both the ACT-NSW Memorandum of Understanding (MoU) for Regional Collaboration and participation in the Canberra Region Joint Organisation (CRJO). Performance against this indicator will be measured by:
- The preparation of briefings and other support materials to enable the Chief Minister - or Chief Minister's delegate - to engage with the NSW Government, NSW councils and the Canberra Region Joint Organisation to progress agreed regional and cross-border priorities.
 - Delivery of an ACT-NSW Senior Officials Forum to progress collaboration and key commitments under the ACT-NSW MoU.
- c. This accountability indicator covers briefing and support to the Chief Minister and Head of Service for intergovernmental meetings, including the National Cabinet, the Council for the Australian Federation (CAF), and the First Secretaries Group (FSG). This indicator is counted as complete on delivery of the briefing packages to the Chief Minister and Head of Service.
- d. This accountability indicator relates to the content coordination, production and release of the approved ACT Government Agreement Progress Report in delivering key government decisions.
- e. This accountability indicator covers the annual cycle of Assembly and Cabinet support, including preparation and circulation of submissions and papers. This measure reflects support provided by CMTEDD to:
- The Chief Minister as chair of Cabinet and to Cabinet Ministers; and
 - The Manager of Government Business in the Legislative Assembly.
- f. This accountability covers the number of hours assisting client research in the ACT Heritage Library.

Explanation of material variances (+/-5%)

1. The variance reflects that one of the two planned regional partnership activities was completed during 2025-26. Briefings and support materials were prepared to support engagement by the Chief Minister, or delegate, with the NSW Government, NSW councils and the Canberra Region Joint Organisation on agreed regional and cross-border priorities. However, the planned ACT-NSW Senior Officials Forum was not held during the reporting period. In lieu of the formal forum, ACT and NSW senior officials progressed collaboration and commitments under the ACT-NSW Memorandum of Understanding through regular fortnightly meetings, project-specific committees and workshops. This included ongoing engagement through the ACT-NSW Potable Urban Water Issues Steering Committee, Parkwood Steering Committee, Regional Futures Framework Steering Committee, Sydney-Canberra Rail Improvement Steering Committee, and a Cross Border Police Roundtable held in November 2025. The ACT also continued to work with the NSW Cross-Border Commissioner to support future cross-border engagement opportunities.
2. The ACT Heritage Library underwent a planned relocation to enable sustainability improvements to its accommodation at 255 Canberra Avenue. The collection remained onsite. In addition to the necessary closures to allow staff to leave and return to the site, the impact of the relocation has been greater than anticipated, due to unexpected, limited access to the building. This resulted in a lack of ready access to the collection, and the inability to host public programs which attract researchers to the library. Public access facilities were established at Civic Library to provide a temporary space for researchers to access original materials. These arrangements allowed for some ongoing access to the ACTHL collection, including through exhibitions, displays and public events.
3. The higher than budgeted CRP reflects the additional expenditures on insourcing storage of physical records, a project aiming at improving efficiency in the long term.

Output 1.2: Coordinated Communications and Community Engagement

Through the Coordinated Communications and Community Engagement output the Directorate delivers communications and engagement support and protocol services to the ACT Government and community.

Communications and Engagement deliver this output by:

- delivering coordinated communications to the Canberra community in times of Territory emergency;
- informing Canberrans about programs, policies and services through the ACT Government's key channels, including Our Canberra (Print, e-newsletter and website) and ACT Government social media channels;
- delivering priority communications and engagement activities for the Chief Minister and the Directorate's Ministers;
- coordinating the delivery of priority public information campaigns;
- supporting enhanced whole of government engagement practices, including through greater coordination of engagements and the exploration of engagement targets;
- providing research and insights services to inform government decision-making and managing the YourSay Panel and digital engagement platform YourSay Community Conversations;
- preparing an annual whole of government communications and engagement plan to outline the government's priority public information campaigns and engagements;
- offering digital support and services across Government;
- delivering high quality creative services for priority projects; and
- providing honours and awards, ceremonial and protocol services to the Chief Minister.

Table 2: Accountability Indicators Output 1.2

	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Annual numbers of ACT Government Digital Mail Service newsletters	24	24	0	
b. Annual number of ACT Government Our Canberra newsletters	11	11	0	
c. Annual whole of government Communications and Engagement Plan	June 2026	June 2026	0	
d. Annual number of YourSay Panel surveys conducted	20	14	(30)	1
Total Cost (\$'000)	14 851	12 940	(13)	2
Controlled Recurrent Payments (\$'000)	13 156	11 333	(14)	3

Accountability Indicator Descriptions

- This accountability indicator covers the total number of ACT Government Our Canberra digital newsletters distributed during the year to subscribers.
- The Our Canberra newsletter is distributed monthly to all Canberra households, excluding January. Editions are published for the five main regions of Canberra – Belconnen; Inner North/Inner South/City; Gungahlin; Tuggeranong and Woden/Weston Creek/Molonglo.
- This accountability indicator relates to the annual Whole of Government Communications and Engagement Plan which is provided by 30 June each year, and outlines the Government's communications and engagement priorities. The plan provides advance notice and enables genuine and meaningful opportunities to participate in consultation and engagement activities for the coming financial year. The plan is available at www.act.gov.au/open/communications-and-engagement-snapshot.
- This accountability indicator relates to research activities delivered by ACT Government. This includes surveys conducted through the YourSay Panel, which provide a representative summary of views and opinions on topics relevant to the work of the ACT Government. It also includes qualitative research and support for a limited number of off-Panel stakeholder surveys. This indicator reflects increased capability, offering more research and insights opportunities to allow evidence-based decision making on projects and policies.

Explanation of material variances (+/-5%)

- The variance reflects a reduced demand for research activities in 2025-26 due to fewer campaigns across the ACT Government.
- Total cost for this output reflects lower than budgeted employee costs consistent with lower staffing number over the year, and lower supplier costs due to reduced campaign activity.
- CRP funding applied to an individual output will reflect a number of factors including the cost for that output and directorate cash management strategies. The timing of payments made to employees, grant recipients and suppliers is carefully managed to ensure that CRP is only recognised when payments are made.

Output 1.3: International Engagement

The Directorate, through the International Engagement output, supports the economic growth and diversification of the Canberra economy, and enhances Canberra's global reputation as an innovative, creative, artistic, liveable and welcoming city.

The Directorate delivers this output by:

- undertaking strategic leadership, oversight, development and delivery of a targeted program of international engagement activities, including trade missions, inbound delegations, export-promotion programs, and other activities that enhance Canberra's economic welfare, international connectedness and reputation economically, culturally and socially;
- working with the Australian Government, including Austrade and its TradeStart program, and the Canberra Business Chamber, to make education and other export programs readily available to prospective and ongoing exporters;
- building relationships with the Canberra diplomatic community for the purpose of nurturing relationships and connections supportive of exporting and enhancing Canberra's international reputation;

- providing strategic leadership, oversight and coordination of inbound investment and collaboration opportunities originating from target-market countries; and
- continuing to build Canberra's government-to-government relationships, including formal sister-city agreements, to raise awareness of opportunities across Canberra's economic Key Areas of Strength, and ensure alignment with our objectives to expand and diversify Canberra's economy and its reputation.

Table 3: Accountability Indicators Output 1.3

	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Number of ACT businesses assisted with export development	75	103	37	1
b. Number of ACT businesses exporting because of essential support received from the OIE	10	12	20	2
c. Number of trade missions and other events organised, delivered or funded	20	48	140	3
Total Cost (\$'000)	3 575	2 871	(20)	4
Controlled Recurrent Payments (\$'000)	3 255	2 660	(18)	5

Accountability Indicator Descriptions

- Assistance can be in the form of advice on, among other subjects: international market identification and segmentation; access to supply chains linked to target markets; regulatory and non-regulatory barriers to markets; effective participation in brick-and-mortar and online networking, social media, and business-to-business wholesale marketplaces; trade finance; and cultural considerations to market entry. Ongoing market intelligence is also provided.
Please note: While the majority of businesses assisted are ACT businesses, there are some businesses in the surrounding NSW area that are also assisted.
- Results of this indicator are tracked through the Office of International Engagement's (OIE) own relationship management records and those of the ACT's Business Development Manager based in Singapore.
Please note: While the majority of businesses assisted are ACT businesses, there are some businesses in the surrounding NSW area that are also assisted.
- This accountability indicator tracks the number of ministerially led outbound trade missions and other events organised and delivered by the OIE, both in Canberra and overseas markets. A yearly schedule of outbound trade missions and other events is approved by the Chief Minister and planned and executed by the Office of International Engagement. Trade missions are planned in accordance with the Chief Minister's schedule, and to leverage appropriate market opportunities and events. 'Other events' can include networking meetings for exporters and domestic and foreign trade specialists; and events for exporters regarding specific national markets, or specific ACT economic sectors (i.e., renewable energy)

Explanation of material variances (+/-5%)

- The variance is due to OIE full time equivalent positions being filled, enabling continuity of delivery of the International Business Exchange program and business support in engagement with ACT businesses, training programs provided, market briefings and other outreach activities typically led by the OIE Trade and Export team.
- Export opportunities were enabled through delivery of a range of early stage and export ready programs, supported by investment in a dedicated ACT Trade Start advisor to facilitate opportunities in priority markets for ACT exporters.
- The variance is due to unexpectedly high demand for inbound visits to the ACT from business and government delegations facilitated by the OIE. Meanwhile the number of Trade Missions (four), and other events including inbound missions (44) facilitated by the OIE has remained on track with expectations and results from previous years. The surge in international travel and growing demand for overseas delegations have significantly increased the visitation of business and government officials to the ACT.
- Total cost is lower than budget due to a delay in costs associated with international trade and engagement programs, and cancelled and postponed trade missions.
- CRP funding applied to an individual output will reflect a number of factors including the cost for that output and directorate cash management strategies. The timing of payments made to employees, grant recipients and suppliers is carefully managed to ensure that CRP is only recognised when payments are made.

Output Class 2: Workforce Strategy

Output 2.1: Capability and Governance

Through this output, the Directorate provides capability and oversight for ensuring a professional, skilled and accountable public service that is responsive to the ACT Government and the community now and into the future including managing whole of government capacity building programs.

The Directorate will deliver this output by:

- building an ACTPS workforce culture that supports the Government's vision of a progressive, sustainable and inclusive Canberra for all Canberrans; with a particular focus on supporting and enabling Aboriginal and Torres Strait Islander staff and the cultural maturity of the ACTPS, and attracting and retaining people with disability;
- driving and delivering whole of government workforce capability development, including through leadership and graduate strategies, and delivery of whole of government learning services;
- delivering a whole of service survey every second year so that workforce trends and patterns inform strategic decision-making;
- maintaining and monitoring whole of government ethics and accountability frameworks;
- supporting the Head of Service, the ACT Remuneration Tribunal, and the Strategic Board and its sub-committees;
- managing the implementation of the Secure Employment Framework across the ACT Public Sector to build the capability and expertise of the Public Sector, and further solidify the role of the ACT Government in modelling good employment practices; and
- supporting public sector efficiency through whole of government workforce capability building, assessment or guidance.

Table 4: Accountability Indicators Output 2.1

	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Conduct the ACTPS Graduate Program	85%	96%	13	1
b. Publish the State of the Service Report	October 2025	October 2025	0	
c. Deliver ACTPS Leadership and Development programs	4	4	0	
d. Implement whole of Government Guidelines and/or Frameworks that support ACTPS workforce inclusion	2	2	0	
Total Cost (\$'000)	21 827	19 494	(11)	2
Controlled Recurrent Payments (\$'000)	17 201	14 459	(16)	3

Accountability Indicator Descriptions:

- This accountability indicator measures the capability value of the ACTPS Graduate Program by assessing the number of Graduates who successfully complete the Program each calendar year and are permanently promoted and placed within the ACTPS. The indicator will be considered achieved if 85% of graduates complete the Program and are permanently promoted and placed within the ACTPS.
- This accountability indicator covers the publication of the annual State of the Service Report.

- c. This accountability indicator covers the implementation of a program of work for improving leadership capabilities across the ACTPS. The delivery of this indicator involves providing four opportunities for ACTPS SES leaders to participate in whole of government leadership development programs.
- d. This accountability indicator relates to the development and implementation of whole of government guidelines or frameworks which support ACTPS Workforce Inclusion.

Explanation of material variances (+/-5%)

1. The variance in the indicator 'Conduct of the ACTPS Graduate Program' is due to a higher number of graduates than anticipated completing the Program.
2. The lower than budget total cost reflects a transfer of functions and associated expenditure from this output to Output 2.3 Public Sector Employment following a post-budget restructure within Output Class 2 Workforce Strategy.
3. The lower than budget CRP reflects a transfer of appropriation associated with functions transferred from this output to Output 2.3 Public Sector Employment following a post-budget restructure within Output Class 2 Workforce Strategy.

Output 2.2: Injury Management and Industrial Relation Policy

Through this output the Directorate provides health and work sustainability solutions, focusing on risks arising from work and the relationship between employers and workers.

The Directorate delivers this output by:

- managing ACT workers' compensation, work health and safety and industrial relations regulatory and policy frameworks;
- supporting the Secure Local Jobs Code Registrar and their functions under the ACT Government's secure local jobs code requirements;
- administering the Secure Local Jobs Code and Ethical Treatment of Workers Evaluation to verify that suppliers and contractors to the ACT Government meet the highest safety and ethical standards;
- supporting the Public Sector Workers Compensation Commissioner in the management of the Public Sector Workers Compensation Fund;
- developing and reviewing whole of government health, safety and rehabilitation policies and providing work health and safety services to support the policy framework;
- supporting workplaces to implement approaches to deliver good work for health and productivity;
- coordinating the Territory's consultative bodies for industrial relations regulation, workers' compensation and work health and safety; and
- administering the Loose Fill Asbestos Disease Support Scheme, on behalf of the Chief Minister, to provide financial assistance to people with an asbestos disease caused by living in a loose fill asbestos insulation (Mr Fluffy) contaminated home.

Table 5: Accountability Indicators Output 2.2

	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Conduct an actuarial review of the ACT private sector Worker's Compensation Scheme	April 2026	April 2026	0	
b. Meetings convened of workplace safety and injury management fora within the ACT	8	8	0	
c. Provide policy advice on issues relating to industrial relations, injury management, work safety, and dangerous substances regulation	35	35	0	
d. Represent the ACT and coordinate activities arising from: national industrial relations, work safety and injury management forums	14	14	0	
e. Issue SLJC Certificate within 5 working days of receipt of complete and correct audit reports	90%	100%	11	1
f. Conduct SLJC training sessions for industry and ACT Government	24	24	0	
Total Cost (\$'000)	22 059	20 165	(9)	2
Controlled Recurrent Payments (\$'000)	14 022	13 685	(2)	

Accountability Indicator Descriptions:

- This accountability indicator covers a review of the performance of the ACT workers' compensation scheme and consideration of the broader implications of these findings. This indicator is considered complete on reporting of actuarial review results to the Minister for Industrial Relations and Workplace Safety.
- This accountability indicator covers the secretariat role provided for the Labour Hire Licensing Advisory Committee, in addition to the ACT Work Health and Safety Council. The indicator is considered complete when meetings are held.
- This accountability indicator covers the preparation of briefing papers to the ACT Government on workers' compensation, industrial relations and work safety matters. This indicator is considered complete when submissions have been signed by the Minister
- This accountability indicator covers representing the Territory at, and managing policy initiatives arising out of, national industrial relations and injury management forums, including SafeWork Australia and its policy sub-committees and the national industrial relations senior officials group. This indicator is considered complete with attendance at meetings.
- This accountability indicator relates to the timely operation of the Secure Local Jobs certification function.
- This accountability indicator relates to the education and promotion functions of the Secure Local Jobs package.

Explanation of material variances (+/-5%)

- The variance was as a result of streamlined processes, and maintaining multiple delegates who are authorised to approve certificates.
- The lower than budget costs reflects timing of recruitment for several vacant positions and lower-than-expected claims from the Loose Fill Asbestos Disease Support Scheme for Canberrans who have developed an asbestos-related disease from living in a loose-fill asbestos insulation affected homes. Unspent funds relating to the Loose Fill Asbestos Disease Support Scheme have been reprofiled into the 2026-27 financial year.

Output 2.3: Public Sector Employment

Through this output the Directorate provides an employment and policy framework to support a professional, skilled and accountable public service that is responsive to the ACT Government and the community, as well as delivering transactional human resource services to directorates and agencies.

The Directorate delivers this output by:

- developing and reviewing whole of government employment policies, regulations and standards and providing industrial relations services to support better employment practices;

- leading, supporting and co-ordinating enterprise bargaining, enterprise agreement implementation and application across the service;
- providing payroll, personnel and recruitment services; and
- delivering salary packaging services for employees across the ACT Government.

Table 6: Accountability Indicators Output 2.3

	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Implementation of Enterprise Agreements	1	1	0	
b. Human resources service requests made via the Service Desk are resolved within Service Standard timeframes	95%	99.50%	5	1
Total Cost (\$'000)	35 697	39 036	9	2
Controlled Recurrent Payments (\$'000)	28 836	32 107	11	3

Accountability Indicator Descriptions:

- This accountability indicator covers the negotiation of ACTPS enterprise agreements (common core). In 2025-26 this work involved commencement of negotiations to establish new ACTPS enterprise agreements beyond the nominal expiry date of 31 March 2026. Notice of Employee Representational Rights (NERRs) were issued from July 2025, with first meetings held from August signifying formal commencement of bargaining new enterprise agreements. This indicator was considered achieved with the issuing of NERRs.
- This accountability indicator covers the service requests logged by the HR Service Desk that can be completed by Service Desk and resolved within agreed timeframes (five working days).

Explanation of material variances (+/-5%)

- The variance is due to innovative changes in processes implemented during the reporting year, including the ability to promptly update reporting line changes via the chat service, and the service desk now taking salary packaging related calls.
- The increase in total cost from the original budget reflects a transfer of functions and associated expenditure from Output 2.1 Capability and Governance to this output following a post-budget restructure within Output Class 2 Workforce Strategy.
- The increase in CRP from the original budget reflects a transfer of appropriation associated with functions transferred from Output 2.1 Capability and Governance to this output following a post-budget restructure within Output Class 2 Workforce Strategy.

Output 2.4: Public Sector Standards Commissioner

Through this output the Directorate provides support to the Public Sector Standards Commissioner undertaking complaints management and misconduct investigation functions for the ACT Public Sector.

The Directorate delivers this output by allocating resources to the Professional Standards Unit to provide services and undertake functions on behalf of the Commissioner, such as:

- assessing and appropriately managing referrals for misconduct investigations;
- managing complaints and enquiries made to the Commissioner;
- enquiring into the operation of the Service;
- undertaking misconduct, public interest disclosure and other investigations referred to the Commissioner; and
- promoting and providing advice about the public sector values, the public sector principles and conduct required under the *Public Sector Management Act 1994*.

Table 7: Accountability Indicators Output 2.4

	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Number of referrals (investigations and admission statements) managed by the Public Sector Standards Commissioner and the Professional Standards Unit	85	125	47	1
b. Number of complaints and enquiries managed by the Public Sector Standards Commissioner and the Professional Standards Unit	25	173	592	2
Total Cost (\$'000)	6 706	6 172	(8)	3
Controlled Recurrent Payments (\$'000)	6 080	5 610	(8)	4

Accountability Indicator Descriptions:

- This accountability indicator measures the number of referrals for investigation and admission statements managed by the Public Sector Standards Commissioner and the Professional Standards Unit in a financial year.
- This accountability indicator measures the number of complaints and enquiries managed by the Public Sector Standards Commissioner and Professional Standards Unit in a financial year.

Explanation of material variances (+/-5%)

- The number of referrals are inherently dynamic from year to year and are influenced by factors outside the Office's control. While the number of referrals was higher than anticipated this year, it should be noted that this does not necessarily represent an increase or decrease in misconduct across the ACTPS. During the reporting period, the PSSC and the PSU undertook significant education, engagement, and awareness activities across the ACTPS, which is considered to have contributed to increased visibility of the PSU and a higher number of referrals.
- The variance for Complaints and Enquiries reflects its introduction in the previous financial year, with no comparable historical baseline. Increased engagement and outreach undertaken activities by the PSSC to lift the standards across the ACTPS, has contributed to an increased demand for advice and assistance.
- The lower than budget total cost mainly reflects the timing of recruitment for several vacant positions and general underspend in suppliers throughout the year.
- CRP funding applied to an individual output will reflect a number of factors including the cost for that output and directorate cash management strategies. The timing of payments made to employees, grant recipients and suppliers is carefully managed to ensure that CRP is only recognised when payments are made.

Output Class 3: Economic Development**Output 3.1: Economic Development**

Through the Economic Development output the Directorate:

- delivers on the Government's economic development priorities through programs, policies and initiatives to make Canberra an even better place to live, work, visit, study, invest in and do business;
- strengthens collaboration with universities, training providers, research organisations, commercialisation entities, business organisations and other government agencies through initiatives that connect Canberra's business ecosystems, which actively facilitates and attracts responsible investment in the ACT;
- attracts visitors to the ACT through innovative tourism marketing and industry development programs, while also delivering, supporting and promoting key events for Canberrans and visitors to enrich Canberra's reputation as a global destination;
- enhances the wellbeing of Canberrans through participation in organised sport and recreation by delivering of programs, sporting infrastructure development and supporting player pathways;

- contributes to the liveability of Canberra by supporting arts and creative practice that is reflective of our community, as well as managing and maintaining arts facilities that support engaging and innovative art making for audiences to experience;
- supports the skills and workforce agenda for the ACT by facilitating skilled and business migration pathways; and
- manages and maintains key venues including GIO Stadium, Exhibition Park in Canberra, Manuka Oval, National Arboretum Canberra and University of Canberra Stromlo Forest Park as premier tourism and recreational attractions.

Table 8: Accountability Indicators Output 3.1

	2025-26 Target	2025-26 Result	Variance (%)	Note
Business and Innovation				
a. Businesses supported through innovation programs	40	47	18	1
b. Satisfaction levels with ACT Government funded business support services	>80%	95%	0	
c. Satisfaction of the tertiary education sector with the engagement of the ACT Government and its promotion of Canberra as a study destination of choice	>80%	85%	0	
d. Projects under investment attraction facilitation	15	15	0	
Tourism and Events				
e. Local sentiment on major and community events				
- major events	Average rating of 4 out of 5	4.3 out of 5	8	2
- community events	Average rating of 4 out of 5	4.3 out of 5	8	3
f. Estimated economic benefit from delivery of major events	\$44.0 m	\$64.1 m	46	4
g. Estimated return on ACT Government investment from events supported under the Major Event Fund	40:1	78:1	95	5
h. Canberra and Region Visitors Centre (CRVC) – Overall visitor satisfaction with customer service levels at the CRVC	96%	91%	(5)	6
Sport and Recreation				
i. Number of nationally identified priority athletes supported by the ACT Academy of Sport	120	128	7	7
j. Number of organisations funded to support participation opportunities in sport and recreation	40	48	20	8
k. Estimated economic activity as a result of supporting local elite teams	\$18.0 m	\$20.9 m	16	9
Arts				
l. Percentage of the public art collection managed by artsACT in good or above condition	80%	91%	14	10
m. Satisfaction with the management of grants administered by artsACT	80%	75%	(6)	11
n. Number of artists directly and indirectly supported through Arts Activities funding	600	706	18	12
o. Satisfaction of audiences and participants of artsACT-funded arts organisations	80%	92%	15	13
p. Number of attendees at programs delivered by artsACT funded organisations	600,000	472,900	(21)	14

Skills

q.	Participation rate of 15-64 year olds in VET				
-	All students (percentage)	5.9%	3.5%	(40)	15
-	Aboriginal and Torres Strait Islander students (percentage)	13.4%	9.7%	(28)	15
-	Young Canberrans aged 15-24 (percentage)	12.5%	7.9%	(37)	15
r.	VET graduate outcomes after training—Employed after training or in further study	92%	87%	(5)	16
s.	Skilled Migration Attraction and Facilitation				
-	Skilled Independent Nominated	1,800	1,600	(11)	17
-	Average processing time for applications across all skilled migration program streams	20 business days	18 business days	(10)	17

Venues

t.	Number of Major Events at:				
-	GIO Stadium	20	28	40	18
-	Manuka Oval	10	9	(10)	19
-	Exhibition Park in Canberra	85	91	7	20
-	Stromlo Forest Park	12	17	42	21
u.	Own Source Revenue by Venue at:				
-	GIO Stadium	\$3.0 m	\$4.9 m	63	22
-	Manuka Oval	\$360,000	\$717,357	99	23
-	Exhibition Park in Canberra	\$3.5 m	\$5.0 m	43	24
v.	The level of customer satisfaction at the National Arboretum Canberra	85%	92%	9	25
Total Cost (\$'000)		219 738	180 982	(18)	26
Controlled Recurrent Payments (\$'000)		183 472	138 545	(25)	27

Accountability Indicator Descriptions:

Business and Innovation

- This accountability indicator tracks the number of businesses supported through programs delivered or supported by the CBR Innovation Network during the reporting period. These programs include the GRIFFIN Accelerator, the Innovation Connect (ICON) Grant program, and the SME Business Accelerator.
- This accountability indicator measures the satisfaction with business programs and services facilitated by Business and Innovation service providers during the reporting period, including the CBR Innovation Network; Canberra Business Advice Support Service; Badji Program; and others established during the reporting period. Stakeholder surveys will be conducted to measure satisfaction levels. The result reflects the aggregated total of surveys undertaken across programs. The CBRIN result is specific to CBRIN's Innovation Connect grant program.
- This accountability indicator tracks satisfaction of the tertiary education sector with the engagement of the ACT Government and its promotion of Canberra as a study destination of choice. Canberra based institutions will be surveyed annually and the result will be delivered at the end of the reporting period.
- This accountability indicator tracks the number of investment proposals under facilitation management by Business and Innovation during the reporting period

Tourism and Events

- This accountability indicator measures the level of local community agreement with a set of sentiment statements on major and community events delivered by Events ACT. A sample of ACT residents attending these events will be surveyed to determine how these events contribute to city vibrancy, community pride, social connection and value for money.
- This accountability indicator measures the estimated direct economic benefit generated through staging Floriade, the Enlighten Festival and Canberra Balloon Spectacular in the ACT. This economic benefit is calculated via independent event evaluation reports which estimate spending from interstate and international visitors to these events. Direct expenditure impacts cover spending by visitors who come to Canberra specifically to attend these events or extend their stay as a result of these events. Spending by locals or by visitors already in Canberra for other purposes is not included in economic benefit calculations.

- g. This accountability indicator measures the estimated return on investment (ROI) derived from events supported under the Major Event Fund (MEF). The economic benefit generated each year as a result of MEF supported events will be measured and then compared against the annual MEF budget to determine return on investment. Economic benefit refers to the direct economic benefit generated through staging MEF-supported events in the ACT. This economic benefit is calculated via post event evaluation reports which estimate spending from interstate and international visitors to these events. The target of 40:1 represents \$40 in estimated economic benefit for every \$1 investment through the MEF.
- h. This accountability indicator shows satisfaction with overall customer service levels at the CRVC, captured as part of a broader satisfaction survey open to visitors throughout the year. Survey data is recorded online using an online survey tool.

Sport and Recreation

- i. The ACT Academy of Sport provides support to targeted sporting bodies who identify and then prioritise athletes for support in their Olympic, Paralympic or Commonwealth Games sport. The result is the total number of scholarship holders, transition athletes, training agreement athletes and commercial agreement athletes during the financial year.
- j. This accountability indicator reports the number of organisations funded through the Sport and Recreation Investment Scheme to deliver participation opportunities.
- k. This accountability indicator covers the estimated economic impact generated for the Territory by supporting home games for local elite teams including the Canberra Raiders, ACT Brumbies and GWS Giants. Visitor expenditure data is derived from post-game surveys conducted with a random sample of attendees. The economic impact aims to capture the spending of all visitors who come to the ACT specifically to attend a home game in Canberra. In accordance with current agreements Economic Impact reports were not required of the Canberra Capitals and Canberra United for the 2025-26, so the reported result related to the Canberra Raiders, ACT Brumbies and GWS Giants only.

Arts

- l. This accountability indicator measures the condition of the public artworks in the ACT Government collection managed by artsACT. This indicator is measured in the annual collection audit using the condition rating system in the 2015 ACT Government Public Art Guidelines and the Public Art Condition Assessment and Maintenance Plan (September 2018).
- m. This accountability indicator measures the standard of service and assistance for arts organisations and artists through ACT Arts Fund grants. An annual satisfaction survey of applicants (Arts Organisation Investment Program and Arts Activities grants) conducted in June is used.
- n. This accountability indicator measures the number of artists directly and indirectly supported through Arts Activities funding. The result will be measured through the grant acquittal process.
- o. This accountability indicator measures satisfaction of audiences and participants of artsACT-funded arts organisations. Data for this indicator is collated annually from artsACT funded arts organisations. The result for this indicator is from artsACT funded arts organisations reporting each year on the satisfaction reported to them through their own activities.
- p. This accountability indicator measures the annual attendance numbers at programs delivered by artsACT-funded organisations. Attendance numbers are collected as part of the grant acquittal process.

Skills

- q. This accountability indicator measures the participation rate for students (all; Aboriginal and Torres Strait Islander; and young Canberrans aged 15-24) undertaking government funded Vocational Education and Training (VET) in the ACT. The target is based on nationally published data.
- r. This accountability indicator measures the percentage of government funded graduates employed after training or in further study, in the ACT, as defined by the state/territory of funding by year, in the National Centre for Vocational Education Research (NCVER) Student Outcomes Survey.
- s. This accountability indicator has two measures.
 - Skilled Independent Nominated – this indicator covers nominations for both overseas and temporary Canberra residents, capturing all supported skilled migration nominations, and aligns the target with the annual allocation provided by the Australian Government Department of Home Affairs.
 - Average Processing Time for Applications – this indicator tracks the number of business days to process an application including receipt of payment and requests for reconsideration.

Venues

- t. These accountability indicators reflect the number of contracted major events to be held at each venue in 2025-26. Additional events may be secured during the year.
 - Major events at GIO Stadium are defined as concerts, national competition (National Rugby League (NRL) and Super Rugby) and international matches.

- Major events at Manuka Oval are defined as national competition (Australian Football League (AFL) and Big Bash League) and international matches.
 - Major events at Exhibition Park in Canberra (EPIC) are defined as events with more than 500 attendees.
 - Major events UC at Stromlo Forest Park are defined as events with more than 500 attendees, or over 300 attendees if attracting national or international events – as their participation has multiplying economic impacts on the wider Canberra economy
- u. The first two accountability indicators for this measure cover own source revenue (measured by own source revenue less event related expenses) generated by GIO Stadium and Manuka Oval and are based on pre-existing hire agreements. The third accountability indicator covers own source revenue (measured as gross revenue) generated by EPIC.
- v. Customer satisfaction at the National Arboretum Canberra is based on an annual survey, open continuously throughout the year, with results extracted at the half year period and at the end of the financial year.

Explanation of material variances (+/-5%)

1. A greater number of unique clients have engaged with the CBR Innovation Network's (CBRIN) programs than forecast. CBRIN continues to successfully promote increased interest and awareness of its innovation programs to the Canberra region's ecosystem.
2. The variance is due to higher than anticipated positive response from the community to a range of community impact statements about Floriade 2025, Enlighten 2026 and the Canberra Balloon Spectacular 2026. The average score for each of the 8 statements ranged from 4.1 to 4.5 out of 5, signalling strong agreement with positive sentiment about the community impact of major events.
3. Strong community sentiment toward community events has resulted in the variance for this indicator. Window to the World 2025 (a biennial event which last occurred in 2023), Canberra Nara Candle Festival 2025, New Year's Eve 2025, Australia Day 2026, Symphony in the Park 2026 and Canberra Day 2026 all recorded a high positive response from the community to the 8 impact statements, with average responses ranging from 4.1 to 4.5 out of 5.
4. The variance is primarily driven by Floriade 2025, which delivered a \$56.7 million economic impact, supported by record attendance of 519,413 and an increase in visitor nights. Enlighten 2026 also contributed, generating a \$4.66 million economic impact, driven by a rise in visitor nights.
5. The variance reflects that five of the seven funded major events comprising this measure in 2025-26 exceeded the targeted return on investment (ROI) ratio. A variety of factors across these events influenced this result - including higher than forecast levels of overall event attendance and interstate visitation, average visitor length of stay and average visitor spend - which had positive flow-on effects to the direct economic benefit of these events.
6. Key metrics that negatively impacted the overall satisfaction result included 'ease of finding the centre' and 'parking', which is the result of significant construction work occurring on Commonwealth Avenue and changed traffic management and access arrangements for the Regatta Point precinct.
7. This variance has resulted from receiving funding via a Federal Government funding deed, which allowed ACT Academy of Sport (ACTAS) to establish a dedicated Para Unit during the reporting year. To date this Para Unit has supported 11 additional (new) Para athletes on an ACTAS Training Agreement.
8. A Women's Coaching and Officiating Support Program was introduced in 2025-26; the successful recipients from this new program have been included in the 2025-26 report.
9. The variance is due to an increase in the total bed nights, length of stay and average daily spend of visitors travelling to Canberra to attend a local elite team match. These figures are used to calculate the estimated economic activity.
10. Percentage of the public art collection managed by artsACT in good or above condition is higher than the target due to the high standard of artwork care delivered in accordance with the collection management program.
11. The result reflects the range of experiences reported by applicants who responded to the survey. Of the 52 survey participants who responded to this question, 50 per cent were successful applicants, and the remainder were not successful. Applicants who received funding reported a high level of satisfaction with the administration of their grants, including notification of outcomes, funding agreements and payment processes. Unsuccessful applicants reported a lower satisfaction rating.
12. The result reflects a higher than anticipated level of artists directly and indirectly supported through projects receiving Arts Activities funding, noting that results will vary from year to year depending on the type and scale of projects supported, including the amounts requested by funding applicants.
13. The result reflects a higher proportion of artsACT-funded arts organisations reporting average satisfaction levels above 80% from audiences and participants in the programs they delivered in 2025-26. The scale of programs delivered by funded organisations is highly variable, and results will vary from year to year depending on audience and participant reach and the proportion of survey responses received by each organisation.

14. The result reflects attendance across programs delivered by artsACT-funded organisations, including ticketed and non-ticketed events and activities. The target is influenced by attendance at biennial festivals every two years. This year, there were no biennial festivals, so we are below the target.
15. The overall participation rate was less than the target likely due to a decrease in student and employer demand for VET as well as other external, labour market factors.
16. Despite being the second highest nationally, the number of ACT graduates employed or in training after further study did not meet the target because of labour market conditions.
17. The variance for the skilled visa nominated (3.1s(i)) is because the target was set before the ACT received the requested skilled visa nomination allocation from the Australian Government, and not the actual number, which was not received until the financial year had already started (November 2025).
The variance for the average processing time for applications (3.1s(ii)) is attributed to the truncated migration program year, with the allocation only being announced in November 2025. This required fast-processing, as a year's worth of applications had to be assessed in eight months.
18. GIO Stadium secured additional content unknown at the time of budget due to the Canberra Raiders competing in two NRL finals, the Territory hosting British and Irish Lions and Socceroos matches, Freestyle Kings entertainment event and due to NRL draw timings, hosting 15 NRL and NRLW matches rather than the expected 11.
19. The AFL draw differed slightly in 2025-26 and due to phasing, one less AFL match was conducted during the financial year however, the minimum contracted number of matches occurred during the 2025 calendar year and will occur during 2026.
20. EPIC has secured additional events during the financial year. These events, that were unknown at the time of budget include rug sales, two trade shows, the Summersalt concert, and some multicultural events.
21. Growth in attendance at established local and interstate events has driven a higher number of events exceeding participation targets at Stromlo Forest Park.
22. GIO Stadium hosted additional events including a British and Irish Lions tour match, the Socceroos fixture, two unbudgeted Canberra Raiders sell out home finals and an extra match for the Raiders, due to the NRL draw timings. This resulted in increased corporate sales, food and beverage income and hire of facilities. The annual volume bonus which is based on attendance was also greater.
23. Manuka Oval own source revenue increased due to a naming rights sponsorship, the retention of food and beverage commission by Venues Canberra, and high attendance at cricket matches. In turn, improved attendance at events provided a greater annual volume bonus.
24. EPIC's own source revenue has had an improvement in catering revenue as more events utilise Venues Canberra's catering options and greater hire of facilities due to additional events secured during the year. There has been an increased focus on recoveries and equipment hire from events.
25. Visitor satisfaction remained strong at the National Arboretum Canberra, supported by ongoing enhancements to the visitor experience, including customer service improvements, the growing maturity and visual appeal of the Living Collection, and continued efforts to improve accessibility and inclusivity.
26. The lower than budget total cost for this output is largely due to the underspend in grant payments supporting skill development programs. The timing of payments can be difficult to reliably predict as it depends on enrolment numbers and time taken to complete programs. Unspent budgets have been reprofiled to future years.
27. CRP funding applied to an individual output will reflect a number of factors including the cost for that output and directorate cash management strategies. The timing of payments made to employees, grant recipients and suppliers is carefully managed to ensure that CRP is only recognised when payments are made.

Output Class 4: Financial and Economic Management

Output 4.1: Economic Management

The Economic Management output incorporates the provision of advice to the Government on:

- economic and revenue analysis and economic policy;
- management of Federal Financial Relations;
- the development of major infrastructure projects, including unsolicited proposals and financing options;
- affordable housing initiatives and coordination of housing policy advice; and
- insurance policy and regulation/administration of the Motor Accident Injuries and Lifetime Care and Support schemes.

The Directorate delivers this output by:

- monitoring and providing advice on the state of the ACT economy;
- preparing economic forecasts and revenue forecasts for own source revenue;
- undertaking analysis and modelling to provide demographic projections;
- publishing tax expenditure statements;
- facilitating the development and review of taxation reform;
- providing advice on a wide range of policy matters considered by government in terms of economic and regulatory impacts, competition reform, cost of living and industry sectoral matters, including economic regulation of water and energy markets;
- coordinating the function and responsibilities provided under the Intergovernmental Agreement on Federal Financial Relations;
- coordinating and/or contributing to:
 - Heads of Treasuries, Board of Treasurers and Council on Federal Financial Relations processes; and
 - ACT Government involvement with the Commonwealth Grants Commission;
- providing advice on the performance of selected government entities, including emerging issues and associated corporate governance arrangements;
- providing advice and regulating the Motor Accident Injuries (MAI) Scheme;
- administering the Lifetime Care and Support (LTCS) Scheme;
- advising on the development of infrastructure projects within the Capital Framework;
- providing financial and commercial advice on the development and procurement of Public Private Partnership (PPP) and other major, complex infrastructure projects, and managing life-of-project transactions for PPP projects;
- maintaining, and providing training on the policy frameworks that support the development and delivery of infrastructure projects, including the Capital Framework, Guidelines for Unsolicited Proposals and Guidelines for PPPs;

- developing and implementing affordable housing policies and programs to deliver on Government commitments, including priorities identified in the National Housing Accord; and
- coordinating housing policy initiatives and activities across government.

Table 9: Accountability Indicators Output 4.1

	2025-26 Target	2025-26 Amended Target	2025-26 Result	Variance (%)	Note
a. Submissions made to the Commonwealth Grants Commission	4		4	0	
b. Briefings on the ACT economy	144		154	7	1
c. Co-ordinate government participation in intergovernmental Treasury fora	12		15	25	2
d. Advice provided on Tier 1 infrastructure capital works projects under development within the Capital Framework	100%		100%	0	
e. Life of Project PPP transactions successfully executed	100%		100%	0	
f. Assessments of Unsolicited Proposals completed within the prescribed timescales	100%		100%	0	
g. Publish the annual affordable, community and public housing targets	1		1	0	
h. Publish the annual ACT Housing Strategy report card	1	0	0	0	
Total Cost (\$'000)	79 035	29 961	27 465	(65)	3
Controlled Recurrent Payments (\$'000)	69 200	20 126	17 891	(74)	4

Accountability Indicator Descriptions:

- This accountability indicator measures engagement that the ACT has with the Commonwealth Grants Commission (CGC) on the distribution of the Goods and Services Tax (GST) grant. The provision of submissions to the CGC is not discretionary as data from the ACT is essential for the accurate determination of the GST relativities, and the zero-sum nature of the GST distribution means that the ACT must represent its interests on issues relating to the distribution method or risk a reduced GST share. For 2025-26, the indicator is based on (1) a written response to the CGC's revised Draft Report Justice assessment chapter (CGC's Draft Report); (2) a written response to the CGC's Overview of final justice assessment paper; (3) data returns for the 2026-27 GST relativities; and (4) a written response to CGC's New Issues for the 2026-27 GST relativities.
- This accountability indicator covers briefings prepared on the most recent key economic indicators for Canberra and the ACT.
- This indicator covers responsibility for ACT Treasury input to the operations of the Council on Federal Financial Relations (CFFR), the Board of Treasurers (the Board) and Heads of Treasuries. The timing and frequency of these meetings can change as this is determined by the respective Chair. For 2025-26, the meeting frequency is based on four meetings per annum of each intergovernmental forum.
- This indicator measures the advice provided on Tier 1 infrastructure capital works projects being developed under the Capital Framework. The Capital Framework provides guidance to directorates and agencies on the development of infrastructure capital works projects, to ensure that business cases for these projects provide a robust basis for Government to invest in them, and for them to proceed to procurement and delivery. Tier 1 projects are infrastructure capital works projects assessed as Tier 1 under the Capital Framework - having an estimated project capital cost of \$100 million or above, or having a project cost of \$25 million to \$100 million and considered high risk.
- This indicator measures the efficiency of Infrastructure and Commercial Advice (ICA, formerly Infrastructure Finance and Reform) in undertaking its responsibilities for Life of Project transactions for Public Private Partnerships (PPP) projects. PPPs are a form of infrastructure procurement that involve high levels of risk transfer to the private sector and high levels of integrated delivery. 'Life of Project' transactions are those that have a material impact on the financial and/or operational arrangements of the project as negotiated in the original PPP Contract, and normally result from a request by the Project Company that requires the consent of the Territory (for example, debt refinancing, changes in equity arrangements, changes to the payment mechanism or financial model, etc). 'Successfully executed' means that the Territory has responded to a request from the Project Company within the timescale specified in the PPP Contract and has not been unreasonable should it withhold its consent. The full year

result is the number of Life of Project transactions completed successfully divided by the total number of such transactions scheduled to be completed within the reporting period.

- f. This indicator measures the efficiency of ICA in undertaking its responsibilities for managing the assessment of Unsolicited Proposals. The Guidelines for Unsolicited Proposals is the framework for the treatment of Unsolicited Proposals in the Territory. The relevant timescales are those specified in the Guidelines and/or those agreed with the proponent, for each phase of the assessment process. Within three months of receiving the formal Concept Submission, the Government will aim to advise the Proponent whether the Unsolicited Proposals Steering Committee (UPSC) would like to receive a presentation. Within two months of the presentation to the UPSC, the UPSC will notify the Proponent of its decision on progressing the proposal, unless there are particular circumstances that require a longer review period. The full year result is the number of responses to proponents within the specified timescale divided by the total number of responses.
- g. Housing targets are published each year as part of the Indicative Land Release Program (ILRP) published with the Budget and include land released for public, community and affordable housing. Section 65 of the *City Renewal Authority and Suburban Land Agency Act 2017* requires relevant Ministers to determine the public, community and affordable housing targets for land release sites in the ILRP.
- h. The ACT Housing Strategy commits to annual reporting on the progress of actions in its complementary Implementation Plan. This commitment is realised through the preparation of an annual report card made publicly available on the Housing Strategy page of the ACT Government's Homes and Housing website. This indicator was transferred to City and Environment Directorate by Notifiable Instrument Financial Management (Performance Criteria) Amendment 2026 (No 2) (NI2026-273).

Explanation of material variances (+/-5%)

1. The increased number of Economic Indicator Briefings is a due to the addition of Monthly CPI briefings.
2. There were three additional intergovernmental meetings than estimated for 2025-26, due to increased activity resulting from the negotiations around the health and disability reform as well as the implications of the Middle East conflict for Australia.
3. The lower than budgeted total cost mainly reflects the impact of the Administrative Arrangements 2025 (No 2), which transferred responsibility for Affordable and Community Housing Policy functions to the City and Environment Directorate halfway through the year (\$28.5 million). It also reflects a change in the method to provide lease variation charge support for Affordable Housing Project Fund and other Build-to-Rent initiatives (from grant funding to the use of waivers). This change reduced appropriation and cash payment estimates (by \$20.6 million) but is budget neutral from a net cost (budget impact) perspective due to offsetting revenue impacts.
4. The lower than budgeted CRP mainly reflects the impact of the Administrative Arrangements 2025 (No 2), which transferred responsibility for Affordable and Community Housing Policy functions to the City and Environment Directorate halfway through the year (\$28.5 million). It also reflects a change in the method to provide lease variation charge support for Affordable Housing Project Fund and other Build-to-Rent initiatives (from grant funding to the use of waivers). This change reduced appropriation and cash payment estimates (by \$20.6 million) but is budget neutral from a net cost (budget impact) perspective due to offsetting revenue impacts.

Output 4.2: Financial Management

Through the Financial Management output the Directorate provides analysis, monitoring and reporting on the financial performance of agencies, the Territory's budget, and major projects, management of financial investment assets and borrowing and superannuation liabilities and assists the ACT Government to achieve its policy objectives.

The Directorate delivers this output by:

- managing the preparation and presentation of the ACT Government's annual budget, budget review and annual financial statements;
- providing quarterly whole of government consolidated financial reports;
- reporting to external agencies including the Australian Bureau of Statistics, and the Commonwealth Grants Commission;
- providing advice to the ACT Government on financial and budget policy issues;
- reviewing government programs and functions;

- managing the Territory's borrowings, financial investments, cash and liquidity needs and the defined benefit employer superannuation liabilities through the Territory Banking Account and the Superannuation Provision Account;
- providing monthly and annual financial reporting services;
- providing accounts payable, accounts receivable, banking and debt management functions;
- providing general ledger, cash flow and fixed asset management;
- providing advice on Fringe Benefits Tax, Goods and Services Tax and PAYG, including arranging external advice as required; and
- administering production and lodgement to the Australian Taxation Office of monthly Business Activity Statements and annual Fringe Benefits Tax Returns.

Table 10: Accountability Indicators Output 4.2

	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Budget presented in accordance with legislative timeframes	1	1	0	
b. Budget Review presented in accordance with legislative timeframes	1	1	0	
c. Annual Financial Statements for the Territory in accordance with legislative timeframes	1	1	0	
d. Quarterly Consolidated Financial Statements presented in accordance with legislative timeframes	4	4	0	
e. Regulatory reform in relation to financial processes	1	1	0	
f. Budget Presentation to credit rating agency	1	1	0	
g. Business Activity Statements completed in accordance with the ATO deadline	100%	100%	0	
h. Fringe Benefits Tax Return submitted to the ATO in accordance with the ATO deadline	100%	100%	0	
i. Monthly financial information available for use by agencies by 6th working day of the month	100%	100%	0	
j. Annual financial statements completed and provided to agencies by 10th working day of July	100%	100%	0	
k. Finance service requests made via the Service Desk are resolved within Service Standards timeframes	95%	99%	4	
Total Cost (\$'000)	51 517	46 306	(10)	1
Controlled Recurrent Payments (\$'000)	39 245	35 246	(10)	2

Accountability Indicator Descriptions:

- The Territory Budget is presented to the Legislative Assembly in accordance with the timing prescribed in section 5 of the Financial Management Act 1996 (FMA).
- The Budget Review for the Territory is presented to the Legislative Assembly in accordance with the timing prescribed in section 20A of the FMA.
- The Annual Financial Statements for the Territory are provided to the Auditor General in accordance with the timing prescribed in section 24 of the FMA.
- The Quarterly Consolidated Financial Statements are presented to the Legislative Assembly in accordance with the timing prescribed in section 26 of the FMA.
- This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation in relation to financial processes.
- This accountability indicator covers the annual budget presentation to the credit rating agency S&P Global Ratings. This supports S&P Global Ratings in its assessment of the credit rating of the Australian Capital Territory. The presentation to S&P Global Ratings comprises a selection of content from the Annual Budget Papers.

- g. This accountability indicator covers the submission of Business Activity Statements (BAS) to the Australian Taxation Office (ATO) by the 21st of every month. The date of BAS lodgements processed through the ATO Business Portal and that of GST remittance are monitored and recorded by the action officer.
- h. This accountability indicator covers the lodgement of annual Fringe Benefit Tax returns to the ATO. This is an annual measure.
- i. This accountability indicator refers to the completion of processing of monthly financial information using Oracle Government Financials. Meeting this timeframe (6th working day of the month) facilitates agencies in finalising monthly management reports in a timely manner.
- j. This accountability indicator covers the submission of draft annual financial reports to the directorates/agencies. Meeting this timeframe (10th working day of July) facilitates agencies in finalising the annual financial statements to meet audit office deadlines.
- k. This accountability indicator covers the service requests logged by the Finance Service Desk which are resolved within agreed timeframes (five working days)

Explanation of material variances (+/-5%)

1. The lower than budget total cost is primarily due to the timing of claims from Restructure Fund and the timing of recruitment for several vacant positions.
2. CRP funding applied to an individual output will reflect a number of factors including the cost for that output and directorate cash management strategies. The timing of payments made to employees, grant recipients and suppliers is carefully managed to ensure that CRP is only recognised when payments are made.

Output Class 5: Revenue Management

Output 5.1: Revenue Management

Through the Revenue Management output, the Directorate provides for the administration of the ACT Government's taxation revenue.

Revenue Management (ACT Revenue Office) delivers this output by:

- collecting taxation revenue in accordance with legislation;
- providing high quality and timely advice to assist taxpayers in meeting their obligations;
- processing objections to taxation assessments and decisions, in accordance with timeframes published on the ACT Revenue Office website;
- ensuring the integrity, consistency and effectiveness of the ACT's taxation system through prioritised compliance programs and regular reviews of legislation;
- processing concessions in accordance with legislation; and
- administering Rental Bonds.

Table 11: Accountability Indicators Output 5.1

	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Debt Management – level of overdue rates as a percentage of total rates revenue	5%	11%	127	1
b. Debt Management – level of overdue debt (not including rates) as a percentage of tax revenue (not including rates)	2%	3%	58	2
c. Internal reviews of objections completed within 6 months	85%	32%	(63)	3
d. Internal reviews of objections completed within 12 months	100%	68%	(33)	4
e. Compliance revenue per inspector	\$650,000	\$833,591	28	5

	2025-26 Target	2025-26 Result	Variance (%)	Note
Total Cost (\$'000)	40 229	43 105	7	6
Controlled Recurrent Payments (\$'000)	29 445	31 067	6	7

Accountability Indicator Descriptions:

- a. This accountability indicator measures the level of overdue collectable rates debt as a percentage of forecast rates revenue. It excludes matters subject to objection and appeals.
- b. This accountability indicator measures the level of overdue collectable debt (less rates) as a percentage of forecast tax revenue (less rates). It excludes matters subject to objection and appeals, under liquidation and agreements made by the ACT Government in respect of pending waivers.
- c. This accountability indicator measures the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions.
- d. Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions.
- e. This accountability indicator measures all revenue assessed from compliance activities divided by the number of full-time equivalent inspectors. It includes revenue from assessments and reassessments (being that portion not already assessed), outstanding returns, savings resulting from reductions in refund claims and other compliance activity.

Explanation of material variances (+/-5%)

1. Rates debt levels have remained above the target since the COVID pandemic when debt recovery activities were suspended. Debt recovery strategies continue which consider sensitivities in the context of cost-of-living pressures and other factors to progressively reduce debt.
2. Overall outcomes for other debts (excluding rates) continue to be influenced by the ongoing effects of legacy debts from the COVID-19 pandemic period when there was a reduction in debt recovery action. Recovery efforts continue to focus on reducing debt levels around payroll tax, duties and land tax.
3. Objection and appeal numbers have been high for the last three years, which continues to have a flow through impact on the ACT Revenue Office's ability to meet objection completion timeframes. The Revenue Office is also responding to complex tax arrangements and appeals that require more time and resourcing. However, the number of reviews of objections completed substantially increased in the second half of 2025-26.
4. Objection and appeal numbers have been high for the last three years, which continues to have a flow through impact on the ACT Revenue Office's ability to meet objection completion timeframes. The Revenue Office is also responding to complex tax arrangements and appeals that require more time and resourcing. However, the number of reviews of objections completed substantially increased in the second half of 2025-26.
5. Compliance revenue per inspector exceeded the target due to results from data driven compliance activities in duty, payroll tax and land tax.
6. The higher than budget total cost mainly reflects the search services provided by Access Canberra free of charge, which was not recorded in the original budget.
7. CRP funding applied to an individual output will reflect a number of factors including the cost for that output and directorate cash management strategies. The timing of payments made to employees and suppliers is carefully managed to ensure that CRP is only recognised when payments are made.

Output Class 6: Procurement

Output 6.1: Procurement

Through the Procurement output, the Directorate has oversight of the ACT Government procurement framework. We assist ACT Government and suppliers through advice, support and services.

The Directorate delivers this output by:

- managing and developing the legislation and policy that underpin the ACT Government's procurement framework ensuring it is aligned to the needs of the Territory;
- uplifting procurement capability across the service by offering a range of training and knowledge sharing opportunities, including by coordinating a procurement community of practice and procurement eNewsletters;
- administering the whole of government procurement systems including ACT Government online tendering and contracts register platforms, to comply with legislative obligations;
- representing the ACT Government in cross-jurisdictional engagement on procurement policy matters, including in relation to international trade agreements;
- working in collaboration with the ACT Government's Better Regulation Taskforce to reduce barriers faced by small to medium enterprise in accessing ACT Government procurement opportunities;
- providing procurement advisory services to Territory entities to support the pursuit of value for money in strategic goods and services procurement;
- supporting Territory entities in undertaking low risk goods and services procurements by providing guidance and templates;
- supporting active consideration of ethical, environmental, economic and social factors to ensure procurement processes reflect the values of the ACT Government and community;
- developing and maintaining templates and standardised procurement guidance, documentation and processes to support all procurement; and
- applying contemporary category procurement knowledge and contract management skills to establish and manage cost effective whole of government arrangements for categories such as travel, electricity, stationery and fleet.

Table 12: Accountability Indicators Output 6.1

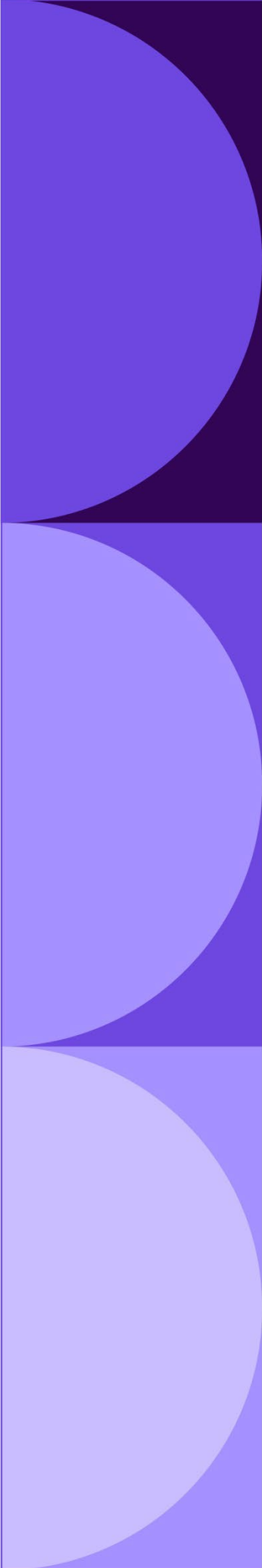
	2025-26 Target	2025-26 Result	Variance (%)	Note
a. Public availability of Contract Register and Tenders ACT	99.5%	99.8%	0	
b. Public satisfaction with Tender systems	85%	81%	(5)	1
c. Territory entity staff satisfaction with procurement training	85%	84%	(2)	
d. Tender documentation received on time are published within 2 business days	85%	97%	14	2
Total Cost (\$'000)	12 403	11 718	(6)	3
Controlled Recurrent Payments (\$'000)	10 823	8 910	(18)	4

Accountability Indicator Descriptions:

- a. Public availability of the Notifiable Contract Register and Tenders ACT measures the proportion of time that these systems are fully available for use by external parties interested in business opportunities of the ACT Government. This indicator is measured annually using the data provided by the external host of Tenders ACT.
- b. Public satisfaction with Tender systems measures the proportion of external users who are satisfied that tender process and documentation as delivered via Tenders ACT support meeting their business needs and objectives. This is collected annually by a survey of external Tenders ACT register parties.
- c. This indicator measures the effectiveness of procurement training delivered to Territory entity staff. The measure will be calculated based on the percentage of Territory entity staff, who through surveys undertaken following training sessions, have identified as 'strongly agree' or 'agree' that the training was useful.
- d. Procurement ACT Service Desk releases tender documentation on behalf of Territory entities. This indicator is measured to ensure the required turnaround time so that market participants receive the tender documentation by the planned release date.

Explanation of material variances (+/-5%)

1. Feedback during the survey indicated the search functionality needed improvement.
2. Additional dedicated resources in the Procurement ACT Service Desk strengthened operational capacity and enabled 96.9 per cent of tender documentation received on time to be published within the 2 business days period.
3. The lower than budget total cost largely reflects the revised timeline for the Investing in public services – Implementing the Procurement Reform Program initiative, following adjustments to the schedule of the broader Enterprise Resource Planning (ERP) program; and underspend in corporate overheads.
4. CRP funding applied to an individual output will reflect a number of factors including the cost for that output and directorate cash management strategies. The timing of payments made to employees and suppliers is carefully managed to ensure that CRP is only recognised when payments are made.



Territory Banking Account

Management Discussion and Analysis

Territory Banking Account

For the Financial Year Ended 30 June 2026

Objectives

The Territory Banking Account is established to recognise and manage the government's financial investment assets and borrowing liabilities. Revenues on behalf of the Territory are transferred to the Territory Banking Account and fortnightly appropriation disbursements are made to agencies from the Territory Banking Account. Transactions are supported by the provisions of the *Financial Management Act 1996* and the annual budget in meeting its ongoing financial obligations.

Principal Activities

The Chief Minister, Treasury and Economic Development Directorate, through the financial operations of the Territory Banking Account, is responsible for financial asset and liability management through the establishment of investment and borrowing policies and objectives, and the coordination and implementation of cash management, investment and borrowing activities.

The Territory Banking Account is a multi-purpose entity responsible for territorial revenues and transfer of appropriation cash flow transactions, financial investment and financial borrowing liabilities of the Territory. The functions and financial transaction activities are established through the provisions of the *Financial Management Act 1996*. The Territory Banking Account is the central public account for the Territory.

Overview

The Territory Banking Account's financial results capture a diverse range of transactions on behalf of the whole of government. The financial result and financial position is an aggregate of the financial investment and borrowing transactions as well as the receipt of transfers of territorial related revenues from agencies and the payment of budget appropriation disbursements to agencies.

The Territory Banking Account recognises the majority of the Territory financial market borrowings without a corresponding asset being held directly by the Territory Banking Account. Instead, assets funded by these borrowings are recognised across other 'agency' financial reports and are ultimately consolidated into the Total Territory financial statements and contribute to the Total Territory net asset position.

The operating result and the net liability position of the Territory Banking Account is effectively a subset of the total Territory, and can only be viewed in conjunction with the total Territory financial position results and budget estimates.

The Territory Banking Account has a key strategic cash management objective to maintain sufficient liquidity within the Territory Banking Account to meet budget appropriation payment and debt servicing obligations. Maintaining strong liquidity supports the Territory's credit rating and ongoing ability to meet its financial commitments.

The Territory Banking Account's 2025-26 financial statements are prepared on a going concern basis because there is sufficient liquid cash maintained to meet the Territory Banking Account's obligations as they fall due.

Financial Performance

The financial performance outcomes of the Territory Banking Account are reflective of the level of Territory revenues received; and appropriation payments made, the financial investment performance in the global financial markets and the level of interest rates in relation to borrowing expenses.

In 2025-26, the territorial revenues and transfer of appropriation were lower than originally budgeted. The movements are driven by underlying ACT Government agency activities and decisions of Government.

In 2025-26, all investment portfolio strategies managed through the Territory Banking Account centralised investment structure recorded positive returns for the year.

The Territory's 2025-26 borrowing requirements were completed via the issuance of bonds under the Territory's Australian Dollar Domestic Debt Issuance Programme. The full funding requirement was achieved at a competitive cost consistent with Australian semi-government peers and the Territory's credit rating; and increased bond line liquidity and diversification of funding instruments and investors was achieved.

Most financial variances are driven by underlying agency activities over which the Territory Banking Account has no control. Information about agency actual transactions compared with the budget should be sourced from the 2025-26 financial statements of relevant agencies.

The Management Discussion and Analysis (MD&A) has been prepared using the Territory Banking Account's audited financial statements for 2024-25 and 2025-26, together with the 2025-26 Original Budget/Budget Addendum and the forward estimates presented in the 2026-27 Budget Statement.

The 2025-26 Financial Statements accompanying this MD&A use the original budget published in the 2025-26 Budget Papers/Budget Addendum for comparative purposes.

Operating Activities

Table 1 – Operating Activities¹

	Actual 2024-25 \$m	Budget 2025-26 \$m	Actual 2025-26 \$m	Budget 2026-27 \$m
Total income	7,231.1	8,017.8	7,924.1	8,510.7
Total expenses	9,379.0	9,780.6	9,640.2	9,785.2
Operating Result	(2,147.9)	(1,762.8)	(1,716.1)	(1,274.5)

Notes:

¹ Numbers may not add due to rounding.

Operating Result

The Territory Banking Account's operating result for 2025-26, a loss of \$1,716.1 million was \$46.6 million (or 3 per cent) better when compared to the 2025-26 original budget estimated result of a loss of \$1,762.8 million mainly due to lower budget appropriation payments to agencies offset by lower transfer revenues from agencies.

In comparison to 2024-25, the operating result in 2025-26 was \$431.8 million or 20 per cent better, with higher transfer revenues from agencies, which was partially offset by higher budget appropriation payments to agencies.

Total Income

The Territory Banking Account's income for 2025-26 totalled \$7,924.1 million. Income comprises: interest from cash at bank, investment income and net gains from investments (\$804.6 million); interest from loans provided to agencies (\$94.4 million); transfer revenues from agencies (\$6,854.0 million); and other income (\$171.0 million).

The Territory Banking Account's income for 2025-26 of \$7,924.1 million was \$93.7 million lower than the 2025-26 original budget of \$8,017.8 million mainly due to lower transfer revenues from agencies which was offset by higher than estimated net investment returns.

In comparison to 2024-25, income in 2025-26 was \$693.0 million or 10 per cent higher mainly due to higher transfer revenue offset by lower net investment returns.

Total Expenses

The Territory Banking Account's expenses for 2025-26 totalled \$9,640.2 million. Expenses comprise: transfer of budget appropriations to agencies (\$8,339.8 million); borrowing costs (\$587.2 million); agency investment expenses (\$695.2 million) and other expenses (\$18.0 million).

The Territory Banking Account's expenses for 2025-26 of \$9,640.2 million were \$140.3 million or 1.4 per cent lower than the 2025-26 original budget of \$9,780.6 million mainly due to lower budget appropriation payments to agencies offset by higher investment returns.

In comparison to 2024-25, total expenses for 2025-26 of \$9,640.2 million were \$261.2 million or 3 per cent higher mainly due to higher budget appropriation payments to agencies and borrowing costs, and partially offset by lower agency investment expenses.

Financial Position

Table 2 – Financial Position¹

	Actual 2024-25 \$m	Budget 2025-26 \$m	Actual 2025-26 \$m	Budget 2026-27 \$m
Total Assets	11,783.5	12,224.9	12,930.8	15,550.2
Total Liabilities	21,071.6	23,332.8	23,888.5	27,891.0
Net Liabilities	(9,288.1)	(11,107.9)	(10,957.7)	(12,340.8)

Notes:

¹ Numbers may not add due to rounding.

Total Assets

The Territory Banking Account's total assets at 30 June 2026 were \$12,930.8 million. Total assets comprise cash and investments (\$9,962.4 million); and loans and receivables (\$2,968.5 million). Variances are driven by underlying ACT Government agency activities and the performance of financial investments.

The Territory Banking Account's total assets at 30 June 2026 of \$12,930.8 million were higher by \$706.0 million or 6 per cent than the 2025-26 original budget of \$12,224.9 million.

In comparison to 2024-25, total assets at 30 June 2026 increased by \$1,147.3 million or 10 per cent mainly due to higher investment balances.

Total Liabilities

The Territory Banking Account's total liabilities at 30 June 2026 were \$23,888.5 million. Total liabilities comprise: payables (\$316.3 million); borrowings (\$15,395.7 million); and agency investment deposits (\$8,176.6 million).

The Territory Banking Account's total liabilities at 30 June 2026 of \$23,888.5 million were \$555.7 million higher than the 2025-26 original budget of \$23,332.8 million mainly due to higher borrowings and higher agency investment deposits than estimated.

In comparison to 2024-25, total liabilities at 30 June 2026 increased by \$2,816.4 million or 13 per cent mainly due to higher borrowings and agency investment deposits.

Cash and Liquidity Management

A key strategic cash management objective is to maintain sufficient liquidity within the Territory Banking Account to meet budget appropriation payment requirements and debt servicing obligations, including interest and principal repayments. A high liquidity provision is a key metric considered in the annual issuer credit rating assessment undertaken by S&P Global Ratings and supports the Government in meeting cash payment obligations on an ongoing basis.

The Territory Banking Account cash at bank balance at 30 June 2026 is \$1,785.9 million (\$1,654.3 million at 30 June 2025).

Financial Investment and Borrowing Activities

Financial Investments

The Territory Banking Account manages the aggregate financial investments in accordance with the investment plans of underlying ACT Government agency investors and in accordance with the Government's overarching responsible investment policy framework.

Investment funds from relevant directorates and Territory authorities (agency investors) are pooled together and invested under a centralised investment structure which provides several investment options to meet the specific investment objectives of the agency investors.

Exposures to asset classes sectors are diversified by geography, sector and financial instrument type and comprise cash, money market securities, fixed rate bonds (domestic and international), equities (domestic and international), private equity, property and infrastructure. These investment exposures are maintained in line with acceptable risk and return tolerances and approved strategic asset allocations.

Table 3 provides a summary of the total financial investment assets of agency investors and the Territory Banking Account by asset class sector allocation.

Table 3 – Financial Investments Exposures¹

Financial Investment Assets	Actual	Actual
- Sector Allocations	2025-26	2024-25
	\$m	\$m
Domestic and International Fixed Income	2,604.7	2,386.8
Domestic and International Equities	3,842.6	3,828.9
Private Equity	449.1	382.3
Property	530.3	339.5
Infrastructure	749.8	596.6
Total Financial Investment Assets	8,176.5	7,534.2

Notes:

¹ Numbers may not add due to rounding.

Table 4 details Agency Investment balances by asset class sector exposure with the Territory Banking Account at 30 June 2026.

Table 4 – Agency Investment Deposits¹

Agency Investment Deposits - Sector Allocations	Actual 2025-26				Total \$m
	LTCS ² \$m	PSWC ² \$m	ACTIA ² \$m	SPA ² \$m	
Domestic and International Fixed Income	119.1	218.7	185.4	2,081.5	2,604.7
Domestic and International Equities	103.1	118.0	160.8	3,460.7	3,842.6
Private Equity	-	-	-	449.1	449.1
Property	13.0	19.7	20.8	476.7	530.3
Infrastructure	19.9	30.1	31.5	668.3	749.8
Total Agency Investment Deposits	255.1	386.5	398.5	7,136.3	8,176.5

Notes:

¹ Numbers may not add due to rounding.

² Lifetime Care & Support Fund (LTCS); Public Sector Workers Compensation Fund (PSWC), ACT Insurance Authority (ACTIA), Superannuation Provision Account (SPA)

Financial Borrowings

The Government's budget funding requirements are mainly achieved by the issuance of debt securities in domestic capital markets, with debt instruments issued from the Territory's Australian Dollar Domestic Debt Issuance Programme which is managed and reported through the Territory Banking Account.

The total outstanding principal value of market borrowings and loans by funding type and year of maturity as at 30 June 2026 as reported in the Territory Banking Account are set out Figure 1 below.

Figure 1 – Total Market Borrowings and Loans – Principal Value as at 30 June 2026

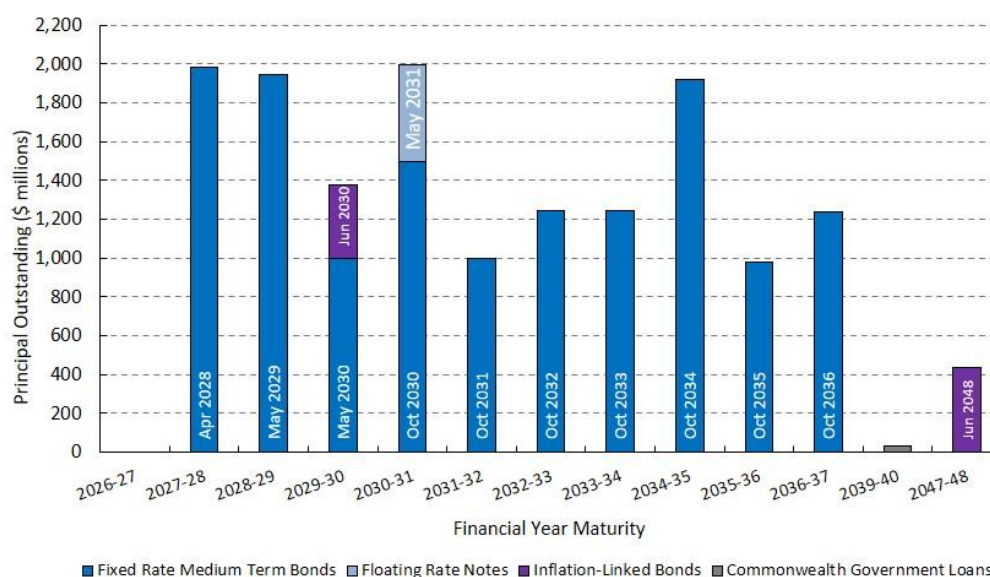


Table 5 provides details of the outstanding nominal fixed rate notes as reported in the Territory Banking Account as at 30 June 2026.

Table 5: Nominal Fixed Rate Notes on Issue

Coupon rate	Maturity	Face value \$m	Principal outstanding \$m	Timing of coupon payments	
3.00%	Apr 2028	2,000	1,984.2	Semi-annual	Apr, Oct
2.25%	May 2029	2,000	1,947.1	Semi-annual	May, Nov
1.75%	May 2030	1,000	998.5	Semi-annual	May, Nov
4.75%	Oct 2030	1,500	1,494.8	Semi-annual	Apr, Oct
1.75%	Oct 2031	1,000	995.2	Semi-annual	Apr, Oct
2.50%	Oct 2032	1,250	1,244.6	Semi-annual	Apr, Oct
5.25%	Oct 2033	1,250	1,246.2	Semi-annual	Apr, Oct
4.50%	Oct 2034	2,000	1,922.4	Semi-annual	Apr, Oct
5.00%	Oct 2035	1,000	980.0	Semi-annual	Apr, Oct
5.25%	Oct 2036	1,250	1,236.3	Semi-annual	Apr, Oct

Notes:

¹ The estimated capital value outstanding as at 30 June 2026 reflects the difference between principal outstanding and the face value, which represents the unamortised issuance premium or discount. The face value is repaid at maturity, with interest coupon payments made semi-annually.

Table 6 provides details of the outstanding floating rate notes as reported in the Territory Banking Account as at 30 June 2026.

Table 6: Floating Rate Notes on Issue

Interest rate	Maturity	Face value \$m	Principal outstanding \$m	Timing of interest payments	
variable	May 2031	500	500	Quarterly	Feb, May, Aug, Nov

Notes:

¹ Interest payments are made quarterly, with the interest rate reset each quarter based on the prevailing 3 month bank bill swap rate plus a fixed margin of 0.43 per cent per annum. The face value is repaid at maturity.

Table 7 provides details of the outstanding market-issued inflation linked bonds as reported in the Territory Banking Account as at 30 June 2026.

Table 7: Inflation Linked Bonds on Issue

Coupon	Maturity	Face value \$m	Principal outstanding \$m	Timing of payments	
2.83% ¹	Jun 2048	420	434.6	Quarterly	Mar, Jun, Sep, Dec
3.50% ²	Jun 2030	250	380.5	Quarterly	Mar, Jun, Sep, Dec

Notes:

¹ Indexed Annuity Bond. Annuity payments are made quarterly, comprising principal and interest components, each of which is adjusted in line with movements in the quarterly Consumer Price Index (CPI).

² Capital Indexed Bond. The capital value of the security is adjusted in line with movements in the CPI. Interest coupon payments are made quarterly at a fixed rate on the adjusted capital value. The adjusted capital value of the security is repaid at maturity.

Table 8 provides details of the Territory's outstanding Commonwealth loan as reported in the Territory Banking Account as at 30 June 2026.

Table 8: Commonwealth Loan

Interest Rate ¹	Maturity	Face value \$m	Principal outstanding ² \$m	Timing of payments	
4.50%	Jun 2040	174	31.3	Annual	Jun

Notes:

¹ The fixed interest rate used to calculate the annual interest payments.

² Principal and interest is paid annually in arrears in accordance with the fixed amortising loan schedule.

Territory Banking Account

Financial Statements for the year ended 30 June 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Territory Banking Account for the year ended 30 June 2026 which comprise the statement of responsibility, statement by the chief finance officer, statement of income and expenses on behalf of the Territory, statement of assets and liabilities on behalf of the Territory, statement of changes in equity on behalf of the Territory, statement of cash flows on behalf of the Territory and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Territory Banking Account's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

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

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

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

Responsibilities of the Territory Banking Account for the financial statements

The Under Treasurer is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;

- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Territory Banking Account to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

obtained up to the date of this report. However, future events or conditions may cause the Territory Banking Account to cease to continue as a going concern; and

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in dark ink, appearing to read 'Clea Lewis', with a stylized flourish at the end.

Clea Lewis
Assistant Auditor-General, Financial Audit
24 September 2026

**Territory Banking Account
Financial Statements
For the Year Ended 30 June 2026**

Statement of Responsibility

In my opinion, the Territory Banking Account's financial statements fairly reflect the financial operations for the year ended 30 June 2026 and its financial position on that date.



Michelle Dowdell
A/g Under Treasurer
Chief Minister, Treasury and Economic Development Directorate
2 September 2026

**Territory Banking Account
Financial Statements
For the Year Ended 30 June 2026**

Statement by the Chief Finance Officer

In my opinion, the Territory Banking Account's financial statements have been prepared in accordance with the Australian Accounting Standards, are in agreement with its accounts and records and fairly reflect its financial operations for the year ended 30 June 2026 and the financial position on that date.



Patrick McAuliffe
Chief Finance Officer
Territory Banking Account
Chief Minister, Treasury and Economic Development Directorate
2 September 2026

Territory Banking Account Content of Financial Statements For the Year Ended 30 June 2026

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Territory Banking Account
Statement of Income and Expenses on Behalf of the Territory
For the Year Ended 30 June 2026

	Note No.	Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
Income				
Investment Revenue	4.1	410,210	428,829	404,468
Net Gains on Investments	4.2	488,831	264,021	617,699
Transfers from ACT Government Agencies	4.3	6,854,015	7,137,292	6,031,470
Other Income	4.4	171,035	187,660	177,483
Total Income		7,924,091	8,017,802	7,231,120
Expenses				
Payments to ACT Government Agencies	5.1	8,339,823	8,652,937	8,076,496
Borrowing Costs	5.2	587,191	569,480	452,752
Agency Investment Expenses	5.3	695,169	544,652	835,158
Other Expenses	5.4	18,040	13,489	14,613
Total Expenses		9,640,223	9,780,558	9,379,019
Operating Result		(1,716,132)	(1,762,756)	(2,147,899)
Total Comprehensive Result		(1,716,132)	(1,762,756)	(2,147,899)

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

Territory Banking Account
Statement of Assets and Liabilities on Behalf of the Territory
As at 30 June 2026

	Note	Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
Current Assets				
Cash	6.1(a)	1,785,853	1,263,293	1,654,256
Loans and Receivables	6.2	849,939	736,812	695,444
Investments	6.3	8,176,522	8,070,614	7,534,182
Total Current Assets		10,812,314	10,070,719	9,883,882
Non-Current Assets				
Loans and Receivables	6.2	2,118,534	2,154,166	1,899,646
Total Non-Current Assets		2,118,534	2,154,166	1,899,646
Total Assets		12,930,848	12,224,885	11,783,528
Current Liabilities				
Payables	7.1	316,286	190,145	129,799
Borrowings	7.2	5,123	5,123	1,020,023
Agency Investment Deposits	7.3	8,176,567	8,070,614	7,534,200
Total Current Liabilities		8,497,976	8,265,882	8,684,022
Non-Current Liabilities				
Borrowings	7.2	15,390,539	15,066,946	12,387,602
Total Non-Current Liabilities		15,390,539	15,066,946	12,387,602
Total Liabilities		23,888,516	23,332,828	21,071,624
Net Liabilities		(10,957,667)	(11,107,943)	(9,288,097)
Equity				
Accumulated Deficits		(10,957,667)	(11,107,943)	(9,288,097)
Total Equity		(10,957,667)	(11,107,943)	(9,288,097)

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

Territory Banking Account
Statement of Changes in Equity on Behalf of the Territory
For the Year Ended 30 June 2026

		Accumulated (Deficits) Actual 2026 \$'000	Total Equity Actual 2026 \$'000	Original Budget 2026 \$'000
Balance at 1 July 2025		(9,288,097)	(9,288,097)	(9,418,848)
Comprehensive Result				
Operating Result		(1,716,132)	(1,716,132)	(1,762,756)
Total Comprehensive Result		(1,716,132)	(1,716,132)	(1,762,756)
Transactions Involving Owners				
Affecting Accumulated Funds				
Capital Distributions from ACT Government Agencies	8.1	46,561	46,561	73,661
Total Transactions Involving Owners		46,561	46,561	73,661
Affecting Accumulated Funds				
Balance at 30 June 2026		(10,957,667)	(10,957,667)	(11,107,943)

		Accumulated (Deficits) Actual 2025 \$'000	Total Equity Actual 2025 \$'000
Balance at 1 July 2024		(7,182,294)	(7,182,294)
Comprehensive Result			
Operating Result		(2,147,899)	(2,147,899)
Total Comprehensive Result[#]		(2,147,899)	(2,147,899)
Transactions Involving Owners			
Affecting Accumulated Funds			
Capital Distributions from ACT Government Agencies	8.1	42,096	42,096
Total Transactions Involving Owners		42,096	42,096
Affecting Accumulated Funds			
Balance at 30 June 2025		(9,288,097)	(9,288,097)

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

Territory Banking Account
Statement of Cash Flows on Behalf of the Territory
For the Year Ended 30 June 2026

	Note No.	Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
Cash Flows from Operating Activities				
Receipts				
Investment Receipts		390,871	399,809	391,821
Transfers from ACT Government Agencies		6,769,653	6,951,501	6,053,332
Other Receipts		321,789	185,940	109,068
Total Receipts from Operating Activities		7,482,313	7,537,250	6,554,221
Payments				
Interest		531,024	546,052	411,454
Distributions Paid for Agency Investments		206,675	280,632	243,620
Controlled Recurrent Payments		5,447,609	5,634,938	5,261,389
Payments on Behalf of the Territory		1,031,381	968,450	1,018,606
Other Payments		14,287	14,124	16,937
Total Payments from Operating Activities		7,230,977	7,444,196	6,952,005
Net Cash Inflows/(Outflows) from Operating Activities	6.1(c)	251,336	93,054	(397,784)
Cash Flows from Investing Activities				
Receipts				
Net Redemption of investments		-	-	14,811
Agency Loan Repayment		-	-	2,792
Net Investment Deposits from Agencies		326,088	316,340	83,155
Capital Distributions from ACT Government Agencies		46,561	71,993	42,096
Total Receipts from Investing Activities		372,650	388,333	142,855
Payments				
Net Purchase of Investments		478,234	300,130	-
Net Loans Provided to Agencies		99,464	125,695	-
Payments for Capital Injection		1,860,833	2,049,640	1,796,502
Total Payments from Investing Activities		2,438,531	2,475,465	1,796,502
Net Cash Inflows/(Outflows) from Investing Activities		(2,065,881)	(2,087,132)	(1,653,647)

Territory Banking Account
Statement of Cash Flows on Behalf of the Territory (Continued)
For the Year Ended 30 June 2026

	Note No.	Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
Cash Flows from Financing Activities				
Receipts				
Proceeds from Borrowings		1,951,045	1,661,284	1,959,056
Total Receipts from Financing Activities		1,951,045	1,661,284	1,959,056
Payments				
Repayment of Borrowings		4,903	4,903	4,692
Total Payments from Financing Activities		4,903	4,903	4,692
Net Cash Inflows/(Outflows) from Financing Activities		1,946,142	1,656,381	1,954,365
Net Increase/(Decrease) in Cash		131,597	(337,697)	(97,066)
Cash at Beginning of Reporting Period		1,654,256	1,600,990	1,751,322
Cash at End of Reporting Period	6.1(a)	1,785,853	1,263,293	1,654,256

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

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 1 OBJECTIVES OF THE TERRITORY BANKING ACCOUNT

The Territory Banking Account is a not-for-profit ACT Government entity (as profit is not its principal objective) in the General government Sector which was established to recognise and manage the government's financial investment assets and financial borrowing liabilities. Revenues on behalf of the Territory are transferred to the Territory Banking Account and fortnightly appropriation disbursements are made to ACT Government agencies from the Territory Banking Account.

The Chief Minister, Treasury and Economic Development Directorate, through the financial operations of the Territory Banking Account, provides services to the Government including the management of the Territory's financial investment assets and financial borrowing liabilities through the establishment of investment and borrowing policies and objectives, and the coordination and implementation of cash management, investment and borrowing activities.

A key objective of the Chief Minister, Treasury and Economic Development Directorate, as reported and accounted for through the Territory Banking Account, is to effectively manage capital market functions by managing investments within relevant risk tolerances, the achievement of competitive borrowing rates commensurate to the Territory's credit rating, the development of effective financial risk management strategies and administration of the Territory Banking Account, the public account of the Territory.

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Legislative Requirement

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies. The *Financial Management Act 1996* and the *Financial Management Guidelines* issued under the Act, require the Territory Banking Account's financial statements to include:

- (i) a Statement of Income and Expenses on Behalf of the Territory for the year;
- (ii) a Statement of Assets and Liabilities on Behalf of the Territory at the end of the year;
- (iii) a Statement of Changes in Equity on Behalf of the Territory for the year;
- (iv) a Statement of Cash Flows on Behalf of the Territory for the year;
- (v) the material accounting policies adopted for the year; and
- (vi) other statements as necessary to fairly reflect the financial operations of the Territory Banking Account during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards (as required by the FMA); supplemented by following ACT Accounting and Disclosure Policies.

2.2 Accrual Accounting

The financial statements have been prepared using the accrual basis of accounting. The financial statements have also been prepared according to the historical cost convention and valuation policies applicable to the Territory Banking Account during the reporting period.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS - CONTINUED

2.3 Currency

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

Transactions and Balances

Foreign currency transactions during the period are brought to account using the exchange rate in effect at the date of the transaction. Holdings of foreign currencies and securities at reporting date are translated at the closing exchange rate at the reporting date. Translation differences are reflected as gains and losses in the Statement of Income and Expenses on Behalf of the Territory.

2.4 Individual Not-For-Profit Reporting Entity

The Territory Banking Account is prescribed as a Directorate under the Financial Management Act 1996 and is an individual not-for-profit reporting entity.

2.5 Territorial Items

The Chief Minister, Treasury and Economic Development Directorate produces Territorial financial statements for the Territory Banking Account. The Territorial financial statements include income, expenses, assets and liabilities that the Territory Banking Account administers on behalf of the Territory but does not control.

2.6 Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Territory Banking Account for the year ended 30 June 2026 together with the financial position of the Territory Banking Account as at 30 June 2026.

2.7 Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2025-26 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the 2025-26 Budget Papers/Budget Addendum.

2.8 Prior Year Comparatives

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

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

2.9 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000) and may not add due to rounding. Use of "-" represents zero amounts or amounts rounded down to zero.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS - CONTINUED

2.10 Going Concern

The Territory Banking Account is a multi-purpose entity responsible for territorial revenues and transfer of appropriation cash flow transactions, financial investment and financial borrowing liabilities of the Territory. The functions and financial transaction activities are established through the provisions of the *Financial Management Act 1996*. The Territory Banking Account is the central public account for the Territory.

The Territory Banking Account's financial results capture a diverse range of transactions on behalf of the whole government. The financial result and financial position is an aggregate of the financial investment and borrowing transactions as well as the receipt of transfers of territorial related revenues from agencies and the payment of budget appropriation disbursements to agencies.

At 30 June 2026, Territory Banking Account's liabilities of \$23.889 billion exceeded its assets of \$12.931 billion by \$10.958 billion (\$9.288 billion at 30 June 2025).

The key reason for the ongoing net liability position is because the Territory Banking Account is the central 'funding' entity responsible for the issuance of debt instruments in the Australian capital markets to meet the Government's financing requirements as well as managing the aggregate daily cash balances of the Territory Banking Account to ensure the timely settlement of the Government's debt obligations.

The Territory Banking Account recognises the majority of the Territory financial market borrowings without a corresponding asset being held directly by the Territory Banking Account. Instead, assets funded by these borrowings are recognised across other 'agency' financial reports and are ultimately consolidated into the Total Territory financial statements and contribute to the Total Territory net asset position.

The operating result and the net liability position of the Territory Banking Account is effectively a subset of the total Territory, and can only be viewed in conjunction with the total Territory financial position results and budget estimates.

Note 9.5 Liquidity Risk provides details about the key strategic cash management objective to maintain sufficient liquidity within the Territory Banking Account to meet budget appropriation payment and debt servicing obligations. Maintaining strong liquidity supports the Territory's credit rating and ongoing ability to meet its financial commitments.

The Territory Banking Account's 2025-26 financial statements are prepared on a going concern basis because there is sufficient liquid cash maintained to meet the Territory Banking Account's obligations as they fall due.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 3 IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods and will be adopted from their application date.

Standards and Interpretations issued but yet to be applied have been assessed as not being relevant to Territory Banking Account or will have an immaterial financial impact on Territory Banking Account. However, AASB 18 *Presentation and Disclosure in Financial Statements* (applicable 1 January 2027 for not-for-profit public sector agencies or applicable 1 January 2028 for not-for-profit public sector agencies) does contain some major presentation/disclosure changes that will impact on Territory Banking Account including:

- that operating, investing and financing categories as well as additional subtotals have to be included in the agency's operating statement;
- the disclosure of management-defined performance measures and reconciliations of these measures with the subtotals required by AASB Standards; and
- enhanced requirements for the grouping (aggregation and disaggregation) of information in the financial statements and in the notes.

The AASB has issued an exposure draft (ED 338 *Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation*) that outlines modifications to AASB 18 for not-for-profit public sector entities. If these modifications in the exposure draft are adopted, they will effectively enable Territory Banking Account to continue to broadly apply the existing disclosure requirements contained in AASB 101 *Presentation of Financial Statements*. However, as this exposure draft is not yet finalised, the impact on Territory Banking Account financial statements from the adoption of AASB 18 cannot be determined at this time.

The Territory Banking Account is assessing the impact of this Standard and does not intend to adopt this Standard early. It will be adopted from its application date.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 4 INCOME ADMINISTERED ON BEHALF OF THE TERRITORY

Description and Material Accounting Policies relating to Income

Income is recognised at the fair value of the consideration received or receivable in the Statement of Income and Expenses on Behalf of the Territory.

	2026 \$'000	2025 \$'000
4.1 Investment Revenue		
Dividends		
Dividends are recognised when the Territory Banking Account's right to receive payment is established. Dividend income is recognised on the ex-dividend date inclusive of any related foreign withholding tax.		
Distributions		
Distributions are recognised when the Territory Banking Account's right to receive payment is established.		
Interest		
Interest revenue is recognised using the effective interest method.		
Revenue from Investments		
Dividends ¹	72,293	75,653
Distributions ²	62,828	65,849
Cash at Bank Interest ³	95,577	97,441
Investment Interest ⁴	85,120	86,085
Total Revenue from Investments	315,819	325,028
Interest from loans		
Icon Water Limited ⁵	94,391	79,440
Total interest from Loans	94,391	79,440
Total Investment Revenue	410,210	404,468

¹ Dividends are subject to the investment portfolio's actual exposure to listed companies as well as the amount of dividends declared by individual companies based on their financial performance.

² Distributions from investments fluctuate year on year subject to the amount of income available for distribution from the underlying investment asset class sector exposures. The decrease in distribution income reflects the amounts of distributable income available.

³ Territory Banking Account liquidity is largely managed through its cash at bank balances. Interest earned on Directorates' operating cash at bank balances is also paid to the Territory Banking Account. The amount of interest paid reflects the average cash balances maintained for operational and liquidity purposes and the applicable interest rate applies to the balances.

⁴ Investment interest income is subject to the investment portfolio's actual exposure to interest bearing securities. Variances are a result of changes to actual investment exposures as well as interest rates.

⁵ The increase in interest is due to the impact of higher inflation on inflation-linked loans and an increase in loans provided to Icon Water.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 4 INCOME ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

	2026 \$'000	2025 \$'000
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4.2 Net Gains/(Losses) on Investments

Gains or losses on investments consist of realised and unrealised amounts. Gains or losses resulting from changes in the fair value of an investment are included in the Statement of Income and Expenses on Behalf of the Territory in the period in which they arise. Also refer note 9.6 Fair Value of Financial Assets and Liabilities.

Net Gains on Financial Instruments at Fair Value Through

Profit or Loss (Investments)

488,831

617,699

Total Net Gains on Investments⁶

488,831

617,699

⁶ The fair value of investments fluctuates year on year depending on the performance of the underlying financial investment exposures. In 2025-26, investment portfolios recorded positive returns (positive returns in 2024-25) driven primarily by market gains in the investment portfolio valuation.

4.3 Transfers from ACT Government Agencies

Transfers from ACT Government agencies relate to territorial revenue such as grants, rates, taxes, fees and fines collected initially by other ACT Government agencies on behalf of the Territory prior to being transferred to the Territory Banking Account. Territory Banking Account recognises transfer revenue upon the receipt of cash from ACT Government agencies and the corresponding accrued transfer revenue.

ACT Government Agency Transfers

6,854,015

6,031,470

Total Transfers from ACT Government Agencies⁷

6,854,015

6,031,470

4.4 Other Income

This income mainly relates to employer superannuation contributions paid to the Territory Banking Account. ACT Government agencies make payments on a fortnightly basis to the Territory Banking Account to extinguish their superannuation liability for employees who are members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Payments also include notional employer and employee contributions in respect of the Legislative Assembly separate defined benefit scheme. Other income is recognised as it is received for the period to which it relates.

Agency Employer Superannuation Contributions⁷

167,480

173,446

Other⁸

3,556

4,037

Total Other Income

171,035

177,483

⁷ Variances are driven by underlying ACT Government agency activities. Internal trading confirmations are undertaken with ACT Government agencies during the reporting period. Information about ACT Government agency actual transactions compared with the prior year is available in the 2025-26 financial statements of relevant ACT Government agencies.

⁸ Variances are mainly attributable to a payment from the ACT Public Trustee and Guardian for interest earned on unclaimed trust money holdings.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 5 EXPENSES ADMINISTERED ON BEHALF OF THE TERRITORY

	2026 \$'000	2025 \$'000
5.1 Payments to ACT Government Agencies		
Controlled Recurrent Payments	5,447,609	5,261,389
Payments on Behalf of the Territory	1,031,381	1,018,606
Payments for Capital Injections	1,860,833	1,796,502
Total Payments to ACT Government Agencies⁹	8,339,823	8,076,496

⁹ Variances are driven by underlying ACT Government agency activities. Internal trading confirmations are undertaken with ACT Government agencies during the reporting period. Information about ACT Government agency actual transactions compared with the prior year is available in the 2025-26 financial statements of relevant ACT Government agencies.

5.2 Borrowing Costs

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

Promissory Notes	9,650	8,194
Floating Rate Notes	2,809	-
Inflation-Linked Bonds	56,258	45,262
Fixed Nominal Bonds	516,845	397,457
Commonwealth Loans	1,628	1,839
Total Borrowing Costs¹⁰	587,191	452,752

¹⁰ Higher total borrowing costs are mainly due to the higher balance of outstanding fixed rate nominal bond borrowings compared with the previous year and consequently a higher interest cost.

5.3 Agency Investment Expenses

Distributions	378,890	197,731
Net Gains on Agency Investments	316,279	637,426
Total Agency Investment Expenses¹¹	695,169	835,158

¹¹ Agencies recorded positive returns for the financial year ended 30 June 2026 (positive returns in 2024-25) driven primarily by market gains in the investment portfolio valuation. Refer to notes 4.1 and 4.2.

5.4 Other Expenses

Investment Management Fees and Expenses ¹²	14,802	10,994
Debt Management and Other Expenses ¹³	3,237	3,619
Total Other Expenses	18,040	14,613

¹² Investment management fees are mainly determined from the balance of funds under management.

¹³ Debt issuance fees reflect the structure of bonds issued.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 6 ASSETS ADMINISTERED ON BEHALF OF THE TERRITORY

Description and Material Accounting Policies Relating to Assets

Assets are classified as current where they are expected to be realised within 12 months or in relation to investments, redeemable on demand by Territory Banking Account subject to market conditions after the reporting date. Assets, which do not fall within the current classification, are classified as non-current.

For the purpose of the Statement of Cash Flows on Behalf of the Territory and the Statement of Assets and Liabilities on Behalf of the Territory, cash means deposits held at call with the Territory's transactional bank.

	2026 \$'000	2025 \$'000
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6.1 Cash

(a) Cash at Bank Balance

Description and Material Accounting Policies Relating to Cash

Cash means deposits held at call in the Territory Banking Account's transactional bank account. A strategic cash management objective is to maintain sufficient liquidity within the Territory Banking Account to meet budget appropriation requirements and debt servicing obligations, including interest and maturities.

Deposits Held at Call with a Financial Institution	1,785,853	1,654,256
Total Cash¹⁴	1,785,853	1,654,256

¹⁴ The cash at bank balance reflects the operational and liquidity needs of the Territory Banking Account and the timing of cash flow requirements.

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

Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory	1,785,853	1,654,256
Cash at the End of the Reporting Period as Recorded in the Statement of Cash Flows on Behalf of the Territory	1,785,853	1,654,256

(c) Reconciliation of the Operating Result to Net Cash Inflows/(Outflows) from Operating Activities

Operating Result	(1,716,132)	(2,147,899)
Add/(Less) Items Classified as Investing or Financing		
Payments for Capital Injections	1,860,833	1,796,502
Net Change in Value of Financial Investments and Liabilities	178,688	(90,107)
Cash Before Changes in Operating Assets and Liabilities	323,389	(441,505)
Changes in Operating Assets and Liabilities		
Increase/(Decrease) in Payables	186,487	(24,116)
(Increase)/Decrease in Receivables	(258,540)	67,837
Net Changes in Operating Assets and Liabilities	(72,053)	43,721
Net Cash Inflows/(Outflows) from Operating Activities	251,336	(397,784)

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 6 ASSETS ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

6.1 Cash - Continued

	2026 \$'000	2025 \$'000
(d) Reconciliation of Changes in Liabilities Arising from Financing Activities		
Borrowings		
Balance as at 1 July	13,407,626	11,433,734
Net Cash flows	1,946,142	1,954,365
Non-cash changes	41,895	19,527
Balance as at 30 June	15,395,662	13,407,626
Total Liabilities From Financing Activities	15,395,662	13,407,626

6.2 Loans and Receivables

Receivables mainly include interest, accrued transfer revenue and other receivables owed by other ACT Government agencies. Receivables also include accrued investment revenue (interest, dividend and unit trust distributions). Interest, dividends and unit trust distributions are recognised when the right to receive payment is established.

Receivables are initially measured at fair value on initial recognition and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recognised in the Statement of Income and Expenses on behalf of the Territory. Amounts are generally received within 30 days of being recognised as receivables.

Loans to ACT Government agencies are not quoted in an active market and are not entered into with the intention of immediate or short-term resale. These classes of assets are held to collect cash flows until maturity. Loans to ACT Government agencies are measured initially at fair value and subsequently amortised using the effective interest rate method, less impairment losses if any.

Internal trading confirmations are undertaken with ACT Government agencies in relation to loans and receivables for the reporting period. Inter-ACT Government agency loans and receivables between ACT Government agencies are expected to have low credit risks. Treasury's whole-of-government accounting policy is that directorates, territory authorities and territory-owned corporations that consolidate into the whole-of-government financial statements will not measure any loss allowance for receivables collectible from other ACT Government agencies consolidated into the whole-of-government financial statements. When the counterparty for a particular loan or receivable is a non-ACT Government agency, an assessment is made under the expected credit loss model. As at 30 June 2026, there is nil loss allowance for loan receivables (30 June 2025: nil).

The Territory Banking Account is not subject to income tax or income tax equivalents but is subject to the Goods and Services Tax. The Territory Banking Account receives input tax credits for certain expenses incurred and has a net Goods and Services Tax (GST) receivable as at reporting date. The net GST receivable is excluded from the calculation deriving the allowance for the expected credit loss because of the assessed low credit risk.

The maximum exposure to credit risk at the end of the reporting period for loans or receivables is the carrying amount of the asset inclusive of any allowance for impairment. It has been assessed that there is an insignificant and therefore immaterial level of credit risk exposure.

Territory Banking Account
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 6 ASSETS ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

6.2 Loans and Receivables – Continued

	2026	2025
	\$'000	\$'000
Current Receivables		
Agency Transfer Revenues and Distributions ¹⁵	620,153	514,984
Agency Loan Interest ¹⁶	9,744	7,810
Agency Investment Distributions Receivable ¹⁷	219,988	47,773
Agency Loan - Icon Water Limited	-	124,852
Australian Taxation Office (GST)	55	24
Total Current Receivables	849,939	695,444
Non-Current Receivables		
Agency Transfer Revenues ¹⁵	36,854	57,661
Agency Loan - Icon Water Limited ¹⁸	2,081,680	1,841,985
Total Non-Current Receivables	2,118,534	1,899,646
Total Receivables	2,968,473	2,595,089

¹⁵ Variances are driven by underlying ACT Government agency activities. Information about ACT Government agency actual transactions compared with the prior year is available in the 2025-26 financial statements of relevant ACT Government agencies.

¹⁶ The balance relates to interest receivable from loans provided to Icon Water.

¹⁷ The increase in distribution receivable is higher due to the higher amount of income available for distribution from the underlying investment asset class sector exposures.

¹⁸ The increase is due primarily to the net impact of higher inflation on indexed linked bonds and a new fixed rate loan provided.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 6 ASSETS ADMINISTERED ON BEHALF OF THE TERRITORY – CONTINUED

6.3 Investments

Financial investment assets of the Territory Banking Account represent the investment holdings of the Territory Banking Account and ACT Government agency investment deposits.

The majority of funds available for investment across the Territory are managed through the Territory Banking Account. ACT Government agency investment deposits from directorates and Territory authorities are pooled together under a centralised investment structure to provide economy-of-scale benefits and access to a range of investment options. The aggregate financial investment assets comprise the financial investment assets invested for the Superannuation Provision Account, ACT Lifetime Care and Support Fund, ACT Insurance Authority and Public Sector Workers' Compensation Fund. Investment options are designed to meet targeted investment objectives in accordance with the approved investment plans of ACT Government agency investors. Each investment plan takes into consideration ACT Government agency investor requirements, including risk and return objectives. The financial investment assets are managed in accordance with the individual investment plans of approved ACT Government agency investors and within the Treasurer approved governance framework and responsible investment policy.

The Territory Banking Account investments are designated at fair value through Profit or Loss upon initial recognition and are managed, and their performance evaluated, on a fair value basis. Also refer to Note 9 Financial Instruments. The following provides the investment summary of the Territory Banking Account as at the balance date.

	2026 \$'000	2025 \$'000
(a) Investments		
Financial Assets at Fair Value:		
Discount Securities	419,703	265,380
Fixed Income and Unit Trusts	2,017,942	2,024,886
Equities and Unit Trusts	5,856,293	5,101,379
Derivatives	(36,536)	27,366
	8,257,403	7,419,010
Other Financial Instruments		
Cash, Receivables and Other Assets	169,396	195,406
Payables and Other Liabilities	250,276	80,234
	(80,880)	115,172
Total Financial Investments	8,176,522	7,534,182
 (b) Financial Investments by Sector Allocation		
Domestic and International Fixed Income	2,604,724	2,386,822
Domestic and International Equities	3,842,559	3,828,939
Private Equity	449,087	382,324
Property	530,337	339,486
Infrastructure	749,815	596,611
Financial Investments By Sector Allocation¹⁹	8,176,522	7,534,182

¹⁹ The fair value of investments fluctuates year on year depending on the performance of the underlying financial investment exposures. The increase in the level of investments reflects a combination of increased unit holder investment applications and market gains for the year. In 2025-26, investments recorded positive returns (positive returns in 2024-25) for the financial year ended 30 June 2026.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 7 LIABILITIES ADMINISTERED ON BEHALF OF THE TERRITORY

Description and Material Accounting Policies Relating to Liabilities

Liabilities are classified as current where they are expected to be settled within 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current.

	2026 \$'000	2025 \$'000
7.1 Payables		
Payables are measured at fair value on initial recognition based on the transaction cost and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recognised in Statement of Income and Expenses on Behalf of the Territory. All amounts are normally settled within 14 days after the invoice date. Payables include distributions owing to ACT Government agencies and interest owing on borrowings from external parties.		
Distributions Payable for Agency Investments ²⁰	219,998	47,773
Interest Payable on Borrowings ²¹	96,298	82,026
Total Current Payables	316,286	129,799

²⁰ The increase in distribution payable is due to the higher amount of income available for distribution from the underlying investment asset class sector exposures.

²¹ The increase is mainly due to the higher balance of outstanding fixed rate nominal bond borrowings at the end of the financial year.

7.2 Borrowings

Interest-bearing liabilities accounted through the Territory Banking Account include long term Commonwealth Government Borrowing long-term debt assigned by the Commonwealth at the time of self-government and external borrowings of the Territory. All borrowings are held to maturity and are initially measured at the fair value of the consideration received and at amortised cost subsequent to initial recognition using the effective interest rate method. The associated interest expense is recognised in the reporting period in which it occurs.

All borrowings of Territory Banking Account are unsecured.

Current Borrowings

Promissory Notes ²²	-	490,749
Fixed Rate Nominal Bonds ²²	-	524,372
Commonwealth Borrowings	5,123	4,903
Total Current Borrowings	5,123	1,020,023

Non-Current Borrowings

Inflation-Linked Bonds	815,166	798,499
Floating Rate Note ²³	500,000	-
Fixed Rate Nominal Bonds ²⁴	14,049,227	11,557,834
Commonwealth Borrowings	26,146	31,269
Total Non-Current Borrowings	15,390,539	12,387,602

Total Borrowings	15,395,662	13,407,626
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²² There are no maturing borrowings in 2026-27.

²³ A new form of borrowing was issued being floating rate notes maturing 19 May 2031.

²⁴ The increase is due to the net increase in new fixed rate borrowings issued during the year, being new \$3.1 billion face value, offset by the repayment of \$500 million electronic promissory notes in December 2025 and \$525 million fixed rate bonds in May 2026.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 7 LIABILITIES ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

	2026 \$'000	2025 \$'000
7.3 Agency Investment Deposits		
ACT Government Agency Investment Deposits are initially recognised at fair value of the consideration received and subsequently remeasured to fair value through profit and loss.		
Agency Investments with the Territory Banking Account	8,176,567	7,534,200
Total Agencies Investment Deposits²⁵	8,176,567	7,534,200

²⁵ The fair value of agency investment deposits fluctuates year on year depending on the performance of the underlying financial investment exposures. The increase in the level of investments reflects a combination of increased unit holder investment applications and market gains for the year. In 2025-26, investments recorded positive returns (positive returns in 2024-25) for the financial year ended 30 June 2026 due to market gains.

NOTE 8 EQUITY

8.1 Capital Distributions from ACT Government Agencies

ACT Government Agency Capital Distributions	46,561	42,096
Total Distributions from ACT Government Agencies²⁶	46,561	42,096

²⁶ Variances are driven by underlying ACT Government agency activities. Internal trading confirmations are undertaken with ACT Government agencies during the reporting period. Information about ACT Government agency actual transactions compared with the budget and the prior year is available in the 2025-26 financial statements of relevant ACT Government agencies.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS

Description and Material Accounting Policies Relating to Financial Instruments

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial liability are disclosed in the note to which they relate. In addition to these policies, the following are also accounting policies relating to financial assets and liabilities.

Financial investment assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

Territory Banking Account financial investments are valued daily based on best available prices and values of the underlying investments. The following is the classification of Territory Banking Account's financial assets under AASB 9 *Financial Instruments*:

Items	Business Model Held to collect principal and interest/sell	Solely for payment of Principal and Interest SPPI Test (basic lending characteristics)	Classification
Cash at Bank	Held to collect	Yes	Amortised cost
Loans and Receivables	Held to collect	Yes	Amortised cost
Investments	Held to collect /& sell	No	Fair Value Through Profit or Loss

Financial liabilities such as payables and interest-bearing liabilities are measured at amortised cost and ACT Government agencies Investment Deposits are measured at Fair Value through Profit and Loss.

The Territory Banking Account financial liabilities comprise borrowings funded by issued debt securities in the debt capital markets in accordance with the domestic debt issuance programme, Commonwealth Government loans and ACT Government agencies investment deposits.

The Territory Banking Account is exposed to financial risks arising from its investment activities comprising market risk (interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Chief Minister, Treasury and Economic Development Directorate is responsible for the overall setting, identification and control of financial risks undertaken in the management of the aggregate investment portfolios. This is done in part by the setting of limits, as required, for trading in derivatives, hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections. Investment strategies and risk tolerances are developed and monitored in accordance with relevant Territory financial legislation and guidelines and investment policies established by the Government.

Sensitivity analysis reflects the impact on profit or loss and equity by changes in the relevant risk variable that were reasonably possible at the reporting date. The main risks resulting from the financial instruments used in the management of the Territory Banking Account's assets and liabilities are set out below. The reasonably possible movements in risk variables have been determined by considering past performance, future expectations and economic forecasts.

Territory Banking Account
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.1 Interest Rate Risk

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

Sensitivity analysis as at reporting date is performed on cash at bank and directly held debt securities of Investments.

The table below summarises the Territory Banking Account's main interest rate risk exposure.

	Fixed Rate Instruments		Variable Rate Instruments	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Investments	1,226,078	1,223,754	3,197,945	2,811,552
Borrowings	-	-	500,000	-
Total Exposure	1,226,078	1,223,754	2,697,945	2,811,552

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

The following table demonstrates the sensitivity of Territory Banking Account to a reasonably possible interest rates change of 0.85% (2025: 0.50%) to cash at bank and to directly held debt securities of Investments, floating rate borrowings and the impact on profit or loss and equity. Had interest rates been lower or higher at reporting date, and all other variables were held constant, the results would have improved/(deteriorated) as demonstrated:

30 June 2026	Fixed Rate Instruments		Variable Rate Instruments	
	+0.85%	-0.85%	+0.85%	-0.85%
	Profit/(Loss) and	Profit/(Loss) and	Profit/(Loss) and	Profit/(Loss) and
	Equity Impact	Equity Impact	Equity Impact	Equity Impact
	\$'000	\$'000	\$'000	\$'000
Cash and Investments	(10,422)	10,422	27,183	(27,183)
Borrowings	-	-	4,250	(4,250)
Net (Decrease)/Increase	(10,422)	10,422	22,933	(22,933)

30 June 2025	Fixed Rate Instruments		Variable Rate Instruments	
	+0.50%	-0.50%	+0.50%	-0.50%
	Profit/(Loss) and	Profit/(Loss) and	Profit/(Loss) and	Profit/(Loss) and
	Equity Impact	Equity Impact	Equity Impact	Equity Impact
	\$'000	\$'000	\$'000	\$'000
Cash and Investments	(6,119)	6,119	14,058	(14,058)
Net (Decrease)/Increase	(6,119)	6,119	14,058	(14,058)

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.2 Price and Inflation Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk) in the relevant indices levels and the prices of the individual holdings.

The Territory Banking Account is exposed to price risk from its equities and unit trusts investments held in accordance with the aggregate Investment plans of underlying ACT Government agency investors. Exposures to asset classes sectors comprising cash, money market securities, fixed rate bonds (domestic and international), equities (domestic and international), private equity, property and infrastructure are maintained in line with the strategic asset allocation representing acceptable risk and return tolerances. Under the investment structure, investments are diversified by geography, sector and financial instrument type to manage the risks associated with changing financial and economic conditions.

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

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

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

	2026 \$'000	2025 \$'000
Price Risk		
Investment Assets		
Fixed Income	545,312	344,206
Equities	4,380,414	4,169,105
Property	527,876	338,077
Infrastructure	747,067	594,860
	6,200,670	5,446,248
Inflation Risk		
Financial Assets (Inflation Linked Bonds)	815,716	799,011
Financial Liabilities (Inflation Linked Bonds)	815,166	798,499
Net Exposure	550	513

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.2 Price and Inflation Risk – Continued

Taking into account past performance, future expectations and economic forecasts, the estimated impact on profit or loss and the impact on equity in the table below are reasonably possible if price risk and inflation risk changes by the following volatility factors from the target benchmarks with all other variables held constant²⁷.

30 June 2026	Profit & Loss (+/- Impact) \$'000	Equity (+/- Impact) \$'000
Investment Assets		
Total Increase/(Decrease)		
Fixed Income (+/- 3%)	16,359	16,359
Equities (+/- 13-16%)	668,518	668,518
Property (+/- 7%)	36,951	36,951
Infrastructure (+/- 10%)	74,707	74,707
Inflation Rate (+/- 1%)	165	165
 30 June 2025	 Profit & Loss (+/- Impact) \$'000	 Equity (+/- Impact) \$'000
Investment Assets		
Total Increase/(Decrease)		
Fixed Income (+/- 6%)	20,652	20,652
Equities (+/- 14-20%)	639,679	639,679
Property (+/- 8%)	27,046	27,046
Infrastructure (+/- 10%)	59,486	59,486
Inflation Rate (+/- 1%)	195	195

²⁷ The volatility of returns reflects the inherent risk in the investments. The reasonably possible movements in risk variables are continually assessed and have been determined based on best estimates, having regard to a number of factors including historical correlation of the asset classes with relevant benchmarks and market volatility. Actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the underlying investments are invested.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS - CONTINUED

9.3 Currency Risk

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

The table below summarises the Territory Banking Account main exposures to foreign currency risk.

30 June 2026	AUD \$'000	USD \$'000	EUR \$'000	JPY \$'000	GBP \$'000	Other \$'000	Total \$'000
Cash	71,045	35,082	6,208	3,047	1,463	3,624	120,468
Financial Assets at FVTPL	5,395,529	2,346,008	382,892	247,637	110,909	253,134	8,736,110
Other Assets	27,267	15,995	8,188	5,511	1,813	3,574	62,349
Total Assets	5,493,842	2,397,085	397,288	256,194	114,186	260,332	8,918,927
Financial Liabilities at FVTPL	53,701	1,023	789	718	-	62	56,292
Other Liabilities	683,922	81	1,386	-	-	679	686,067
Total Liabilities	737,623	1,103	2,175	718	-	741	742,360
Net Assets	4,756,218	2,395,981	395,113	255,476	114,186	259,592	8,176,567
30 June 2025	AUD \$'000	USD \$'000	EUR \$'000	JPY \$'000	GBP \$'000	Other \$'000	Total \$'000
Cash	32,360	24,727	4,042	3,036	1,239	1,941	67,346
Financial Assets at FVTPL	4,617,523	2,203,360	376,061	247,904	115,415	242,585	7,802,849
Other Assets	128,401	5,912	4,679	2,042	613	4,909	146,556
Total Assets	4,778,285	2,233,998	384,782	252,982	117,268	249,435	8,016,751
Financial Liabilities at FVTPL	11,700	972	706	272	189	45	13,884
Other Liabilities	461,088	5,109	1,580	345	545	-	468,668
Total Liabilities	472,788	6,081	2,286	617	734	45	482,552
Net Assets	4,305,497	2,227,917	382,496	252,365	116,534	249,390	7,534,199

Currency Risk Sensitivity Disclosure Analysis

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

Territory Banking Account
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.3 Currency Risk – Continued

Currency Risk Sensitivity Disclosure Analysis - Continued

The following table summarises the reasonably possible impact of 2026: +/- 7 per cent (2025: +/- 12 per cent) strengthening or weakening of the Australian dollar against foreign currency cash balances on the Territory Banking Account's operating deficit for the year and on equity after hedging. Foreign exchange risk relating to non-monetary investments is considered as a component of price risk.

30 June 2026	7% Movement	
	Profit & Loss (+/- Impact) \$'000	Equity (+/- Impact) \$'000
Currency		
USD	18,674	18,674
EUR	10,727	10,727
JPY	6,155	6,155
GBP	2,611	2,611
Other	1,743	1,743
Total Movement	39,911	39,911

30 June 2025	12% Movement	
	Profit & Loss (+/- Impact) \$'000	Equity (+/- Impact) \$'000
Currency		
USD	28,589	28,589
EUR	17,587	17,587
JPY	12,391	12,391
GBP	4,264	4,264
Other	2,856	2,856
Total Movement	65,687	65,687

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.4 Credit Risk

Credit risk is the risk that a counterparty to a financial instrument fails to discharge its contractual obligations or from losses arising from the change in the value of a traded instrument as a result of changes in the credit risk on that instrument.

Inter-ACT Government agency receivables between ACT Government agencies are expected to have low credit risks. Treasury's whole-of-Government accounting policy is that directorates, Territory authorities and Territory-owned corporations that consolidate into the whole-of-Government financial statements will not measure any loss allowance for receivables collectible from other ACT Government agencies consolidated into the whole-of-Government financial statements.

Financial arrangements in respect of the business conducted through the Territory Banking Account are such that the more significant credit risk will arise with those financial assets involving external parties (non-ACT Government agencies).

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

The following table details the credit risk exposure as at reporting date.

30 June 2026	Credit Quality of Fixed Income Rated Instruments				
	AAA \$'000	AA \$'000	A \$'000	BBB \$'000	Total \$'000
Directly Held					
Investments	977,270	1,123,172	247,386	167,796	2,515,625
Total	977,270	1,123,172	247,386	167,796	2,515,625

30 June 2025	Credit Quality of Fixed Income Rated Instruments				
	AAA \$'000	AA \$'000	A \$'000	BBB \$'000	Total \$'000
Directly Held					
Investments	997,705	537,943	513,115	200,530	2,249,293
Total	997,705	537,943	513,115	200,530	2,249,293

Financial dealings are only undertaken with other ACT Government agencies or appropriately rated counterparties. The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the Territory Banking Account financial investment assets. Expected credit losses for financial assets were assessed as nil or immaterial as at 30 June 2026 (30 June 2025: Nil).

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.5 Liquidity Risk

Liquidity risk is the risk that the Territory Banking Account is unable to meet its financial obligations as they fall due. Maintaining a high liquidity balance is a key objective. A strategic cash management objective is to maintain sufficient liquidity within the Territory Banking Account to meet budget appropriation payment requirements and debt servicing obligations, including interest and principal repayments. Maintaining a high liquidity balance is a key factor in the credit rating assessment undertaken by the international ratings agencies and a high liquidity provision assists the Government in meeting cash payment obligations on an ongoing basis.

Liquidity risk is managed by maintaining a high cash at bank balance and investing in a diversified pool of high-grade investment assets. Projected cash flows and borrowing maturities are maintained to ensure that there is sufficient funding available for any debt servicing obligations and required settlements. The Territory borrowing programme is available to source both short and longer term funding as required. Accordingly, the Territory Banking Account will have sufficient liquidity to meet the expenditure allocations as set out in the Territory Budget.

Analysis of Financial Liabilities Based on Management Expectations

The risk implied from the values shown in the following table shows externally contracted cash outflows from payables and other financial liabilities and is reflective of the ongoing business operations of the Territory Banking Account. The amounts disclosed represent undiscounted cash flows for the respective obligations and expectations in respect of upcoming fiscal years.

Territory Banking Account
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.5 Liquidity Risk - Continued

30 June 2026	Less than 3 Months	3 Months to Less than 1 Year	1 Year to Less than 5 Years	Greater than 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Non Derivatives					
Payables	316,286	-	-	-	316,286
Borrowings	16,216	569,138	9,432,191	9,520,226	19,537,770
Total Non Derivatives	332,502	569,138	9,432,191	9,520,226	19,854,056
Net-settled Derivatives					
Futures	(974)	-	(850)	-	(1,824)
Swaps	(278)	(2,444)	(4,020)	(6,450)	(13,912)
Net Settled FFX	(41,276)	-	-	-	(41,276)
Total Net-settled Derivatives	(42,528)	(2,444)	(4,871)	(6,450)	(56,292)
Total	289,974	566,695	9,427,320	9,513,775	19,797,763
Gross-settled Derivatives					
Held for Trading					
Inflow	2,576,553	-	-	-	2,576,553
(Outflow)	(2,615,550)	-	-	-	(2,615,550)
Total Gross-settled Derivatives Held for Trading	(38,996)	-	-	-	(38,996)
30 June 2025	Less than 3 Months	3 Months to Less than 1 Year	1 Year to Less than 5 Years	Greater than 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Non Derivatives					
Payables	129,799	-	-	-	129,799
Borrowings	9,676	1,497,562	5,393,239	10,497,141	17,397,619
Total Non Derivatives	139,475	1,497,562	5,393,239	10,497,141	17,527,418
Net-settled Derivatives					
Futures	(867)	(245)	(74)	-	(1,187)
Swaps	-	(20)	(2,321)	(4,081)	(6,422)
Net Settled FFX	(6,276)	-	-	-	(6,276)
Total Net-settled Derivatives	(7,143)	(265)	(2,395)	(4,081)	(13,885)
Total	132,332	1,497,297	5,390,844	10,493,060	17,513,533
Gross-settled Derivatives					
Held for Trading					
Inflow	4,385,525	-	-	-	4,385,525
(Outflow)	(4,371,198)	-	-	-	(4,371,198)
Total Gross-settled Derivatives Held for Trading	14,327	-	-	-	14,327

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.6 Fair Value of Financial Assets and Liabilities

In preparing these financial statements, the carrying amount of financial assets and financial liabilities recognised in the financial statements are considered to be a fair approximation of their fair values except for certain items within class of assets and liabilities highlighted in the following tables. Disclosure of the basis of determination of the fair values has been provided in each accounting policy note where relevant. Also refer note 4.2 Net Gains/(Losses) on Investments.

	2026		2025	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Financial Assets				
Loans and Receivables	2,968,473	2,905,761	2,595,089	2,581,326
Financial Liabilities²⁸				
Borrowings	15,395,662	14,865,758	13,407,626	13,183,392

²⁸ In relation to financial liabilities, the difference between carrying value and fair value is a function of current market price on borrowings issued at a point in time.

(a) Fair Value Measurements Recognised in the Statement of Assets and Liabilities on Behalf of the Territory

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

- (i) Level 1 – Fair Value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
- (iii) Level 3 – Fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the purposes of presenting the Fair Value Hierarchy, analysis is performed on financial assets and financial liabilities held by the Territory Banking Account as at reporting date.

Territory Banking Account
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.6 Fair Value of Financial Assets and Liabilities - Continued

(b) Recurring Fair Value Measurement of Assets and Liabilities

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, it is determined whether transfers have occurred between levels in the Fair Value Hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

30 June 2026	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets and Liabilities Measured at Fair Value				
Financial Investment Assets				
Investment Assets	4,348,017	3,444,121	451,515	8,243,652
Financial Liabilities				
Agency Investment Deposits	-	(8,176,567)	-	(8,176,567)
Financial Assets and Liabilities for which Fair Values are Disclosed				
Financial Assets				
Loans and Receivables	-	2,905,761	-	2,905,761
Financial Liabilities				
Borrowings	-	(14,865,758)	-	(14,865,758)
Net Assets/(Liabilities)	4,348,017	(16,692,444)	451,515	(11,892,912)
<hr/>				
30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets and Liabilities Measured at Fair Value				
Financial Investment Assets				
Investment Assets	4,050,799	2,974,785	380,732	7,406,315
Financial Liabilities				
Agency Investment Deposits	-	(7,534,200)	-	(7,534,200)
Financial Assets and Liabilities for which Fair Values are Disclosed				
Financial Assets				
Loans and Receivables		2,581,326	-	2,581,326
Financial Liabilities				
Borrowings	-	(13,183,392)	-	(13,183,392)
Net Assets/(Liabilities)	4,050,799	(15,161,480)	380,732	(10,729,950)

The Territory Banking Account recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Transfers between levels

Transfers between levels as at 30 June 2026 are outlined in Note 9.6 Fair Value of Financial Assets (d) Valuation Process for Level 3 Valuations.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.6 Fair Value of Financial Assets and Liabilities - Continued

(c) Fair Value Measurement

The Territory Banking Account recognises and measures financial assets and financial liabilities at fair value on transaction date. Subsequent to initial measurement, investments held at fair value through profit and loss are re-measured to fair value with changes in their fair value (gains/losses) recognised in the Statement of Income and Expenses on behalf of the Territory. Interest, dividends and distributions earned on these investments are recognised separately in interest, dividend and distribution revenue. Investments are derecognised when the obligation specified in the contract is discharged or cancelled, transferred, or expired. Transaction costs for such investments are recognised directly in the Statement of Income and Expenses on behalf of the Territory.

The fair value for financial investments traded in active markets at the reporting date is based on the most representative price within the bid-ask spread, without any deduction for transaction costs. Quoted market price represents the fair value determined based on quoted prices on active markets for identical assets as at the reporting date without any deduction for transaction costs. Listed equity investments valued on quoted market prices are included within Level 1 of the fair value hierarchy.

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

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

For all other investments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach by using recent arm's length market transactions adjusted as necessary and referenced to the current market value of another instrument that is substantially the same and the income approach through using discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

Investments in property are made through unlisted pooled unit trusts. The fair value of property investments is determined at least annually or more frequently as required by an independent property valuer using recognised valuation techniques. These techniques comprise in the main methods such as discounted cash flow and income capitalisation. Where appropriate, the direct comparison, hypothetical development, or the summation or cost approach method is used. Under the discounted cash flow method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value. This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return). The adjusted Net Asset Value of these units is used as an input in measuring their fair value. Investments in property are made through unlisted pooled unit trusts that are priced monthly. The fair values of unlisted property units are included within Level 2.

Territory Banking Account
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.6 Fair Value of Financial Assets and Liabilities - Continued

(c) Fair Value Measurement - continued

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

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

Fair value for loans and receivables has been determined by reference to published price quotations in active markets and applying the appropriate valuation technique for the instrument including observable market pricing and discounted cash flow methodology. The non-performance risk as at 30 June 2026 was assessed to be insignificant.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.6 Fair Value of Financial Assets and Liabilities - Continued

(d) Valuation Process for Level 3 Valuations

The investments in unlisted unit trusts deemed as Level 3 are recorded at redemption value per unit as reported by the investment manager of these investments. In the absence of quoted values, securities are valued using appropriate valuation techniques as determined by the investment manager of the unlisted unit trusts. The investment manager performs monthly, quarterly and annual valuations.

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

Level 3 Reconciliation

The following table shows the movement in level 3 instruments for the year.

30 June 2026	Listed Securities \$'000	Unit Trusts \$'000	Total \$'000
Balance at 1 July 2025	198	380,535	380,732
Purchase during the year	-	2,125	2,125
Sales During the year	-	-	-
Settlements during the Year	(198)	52,921	52,724
Transfers Into Level 3	1,362	-	1,362
Total Gain/(Loss) on Level 3 Financial Instruments ²⁹	133	14,440	14,573
Balance at 30 June 2026	1,495	450,022	451,515

30 June 2025	Listed Securities \$'000	Unit Trusts \$'000	Total \$'000
Balance at 1 July 2024	16	340,923	340,939
Purchase during the year	-	-	-
Sales During the year	-	-	-
Settlements during the Year	(25)	14,540	14,516
Transfers Into Level 3	300	-	300
Total Gain/(Loss) on Level 3 Financial Instruments ²⁹	(94)	25,070	24,977
Balance at 30 June 2025	198	380,535	380,732

²⁹ Gains and losses are disclosed in the line Gains/(Losses) on Investments at Fair Value through Profit or Loss in the Statement of Income and Expenses on behalf of the Territory.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 FINANCIAL INSTRUMENTS – CONTINUED

9.6 Fair Value of Financial Assets and Liabilities - Continued

(d) Valuation Process for Level 3 Valuations - Continued

Quantitative Information of Significant Unobservable Inputs – Level 3

30 June 2026

Description	Fair Value 2026 \$'000	Valuation Technique	Unobservable Input
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Unit Trust – Private Equity	\$441,205	Adjusted Net Asset Value	Net Asset Value
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30 June 2025

Description	Fair Value 2025 \$'000	Valuation Technique	Unobservable Input
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Unit Trust – Private Equity	\$378,590	Adjusted Net Asset Value	Net Asset Value
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NOTE 10 COMMITMENTS

Commitments

Commitments are a firm intention, but not a present obligation, at the end of the reporting period to incur future investment. As such, commitments do not constitute a liability. Commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows:

	2026 \$'000	2025 \$'000
Within One Year	137,110	402,312
Later than One Year but not longer than Five Years	172,458	257,431
Later than Five Years	31,897	53,418
Total Other Commitments³⁰	341,466	713,161

³⁰ Commitments represent investment capital commitments outstanding at financial year end. These investment capital commitments are recognised through individual Commitment and Subscription Agreements/Deeds whereby the Territory Banking Account has provided an irrevocable commitment and agrees to subscribe for securities in accordance with the terms of the relevant Constituent Documents. These commitments will be funded by investments from the relevant underlying agency investor(s) that have exposure to the particular asset class sector for which the commitment is being called. The decrease of commitments reflects the funding of previously committed funds.

NOTE 11 AUDITOR'S REMUNERATION

The ACT Audit Office performs the audit for the Territory Banking Account's financial statements and limited assurance engagement on the statement of performance. No other services are provided. Payment for auditors' remuneration is made by the Chief Minister, Treasury and Economic Development Directorate (2025-26: \$59,663 and 2024-25: \$56,821).

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 12 RELATED PARTY DISCLOSURES

Description and Material Accounting Policies Relating to Related Party Disclosures

A related party is a person that controls or has significant influence over the reporting entity or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Territory Banking Account, directly or indirectly.

Key Management Personnel (KMP) of the Territory Banking Account are the Portfolio Minister and certain senior officers of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) allocated to carry out the functions of the Territory Banking Account (the Senior Management Team).

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of the Territory Banking Account.

This note does not include typical citizen transactions between the KMP and the Territory Banking Account that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITY

The Territory Banking Account is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONNEL

B.1 Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2026.

Compensation of the Head of Service is included in the note on related party disclosures included in the CMTEDD's financial statements for the year ended 30 June 2026.

The Territory Banking Account does not employ any staff. The members of the Senior Management Team who are KMP of the Territory Banking Account are employees of the CMTEDD and are compensated by CMTEDD. Compensation by the Territory Banking Account directly to its KMP was Nil (2024-25: Nil).

B.2 Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Territory Banking Account.

B.3 Transactions with parties related to Key Management Personnel

There were no transactions with parties related KMP that were material to the financial statements of the Territory Banking Account.

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

The Territory Banking Account has entered into transactions with other ACT Government entities in 2025-26 consistent with day to day business operations provided under varying terms and conditions. The notes to the financial statements provide the details of transactions with other ACT Government entities.

Territory Banking Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 13 BUDGETARY REPORTING

Significant Accounting Judgements and Estimates – Budgetary Reporting – Territorial

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

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

Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period Budget Statements. These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Note: ^ in the 'Variance %' column represents a variance that is greater than 999 per cent or less than -999 per cent.

Statement of Assets and Liabilities on Behalf of the Territory

	Actual 2026 \$'000	Original Budget ³¹ 2026 \$'000	Variance \$'000	Variance %	Variance Explanation
Cash	1,785,853	1,263,293	522,560	41%	The cash at bank balance reflects the operational and liquidity needs of the Territory Banking Account and the timing of cash flow requirements. The increase in cash is mainly due to a higher borrowing outcome than originally assumed and lower budget appropriation payments.

Territory Banking Account
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 13 BUDGETARY REPORTING - CONTINUED

Statement of Cash Flows on Behalf of the Territory

	Actual 2026	Original Budget³¹ 2026	Variance	Variance	Variance Explanation
	\$'000	\$'000	\$'000	%	
Capital Distributions from ACT Government Agencies	46,561	71,993	(25,432)	(35%)	The variation is driven by Government agency activities, reflecting agency cash flow requirements.
Net purchase of Investments	478,234	300,130	178,104	59%	The variation is driven by Government agency activities, reflecting agency cash flow requirements.
Net Proceeds from Borrowing	1,951,045	1,661,284	289,761	17%	The increase in borrowings is mainly due to a higher borrowing requirement than originally assumed and reflects the increase in net borrowings to meet budget funding requirements.

³¹ The Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2025-26 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Territory Banking Account

Statement of Performance for the year ended 30 June 2026

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Territory Banking Account for the year ended 30 June 2026.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2026 are not in agreement with the Territory Banking Account's records or do not fairly reflect, in all material respects, the performance of the Territory Banking Account, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Territory Banking Account responsibilities for the statement of performance

The Under Treasurer is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Territory Banking Account.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Territory Banking Account's records or do not fairly reflect, in all material respects, the performance of the Territory Banking Account, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Territory Banking Account, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Territory Banking Account.



Clea Lewis
Assistant Auditor-General, Financial Audits
10 September 2026

**Territory Banking Account
Statement of Performance
For the Year Ended 30 June 2026**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Territory Banking Account's records and fairly reflects the service performance of the Territory Banking Account during the year ended 30 June 2026 and also fairly reflects the judgements exercised in preparing it.



Michelle Dowdell
A/g Under Treasurer
Chief Minister, Treasury and Economic Development Directorate
2 September 2026

Territory Banking Account Statement of Performance For the Year Ended 30 June 2026

EBT Class 1: TERRITORY BANKING ACCOUNT EBT 1.1: TERRITORY BANKING ACCOUNT Description: Management of the ACT's investment and borrowing activities and the central banking account of the Government				
	Original Target 2026	Actual Result 2026	Variance from Target (%)	Explanation of Material Variances (+/- 5%)
TOTAL COST (\$'000)	9,780,558	9,640,223	(1)	
Accountability Indicators				
a. Cash and liquidity management of the Territory Banking Account	100%	100%	-	
b. Exposure to directly owned share investments that are prohibited in accordance with the Government's Responsible Investment policy	0%	0%	-	
c. Exercising of ownership voting rights for directly owned shares	>95%	100%	-	
d. Completion of new Territory borrowings	100%	100%	-	
e. Completion of debt servicing obligations	100%	100%	-	
f. Completion of Budget appropriation disbursements	100%	100%	-	
g. Completion of monthly financial reporting	12	12	-	
h. Completion of unmodified annual financial statements	1	1	-	
i. Completion of annual budget estimates	1	1	-	
j. Responsible Investment policy outcomes annual summary	1	1	-	

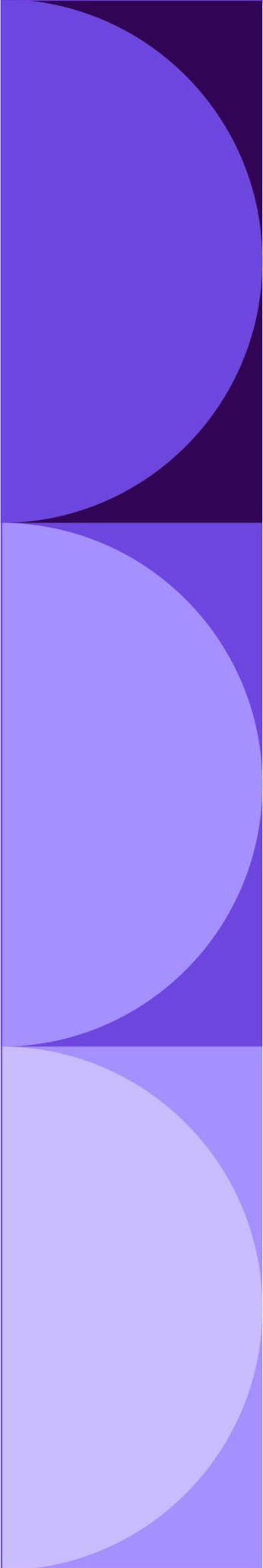
The above Statement of Performance should be read in conjunction with the accompanying notes.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost measure was not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Territory Banking Account Statement of Performance For the Year Ended 30 June 2026

Explanation of the Accountability Indicators

- a. This accountability indicator involves maintaining a positive cash balance of the Territory Banking Account to meet ongoing cash payment obligations. For performance measurement purposes, the actual daily cash balance will be counted as the result. If the cash balance is not positive at the end of the day, this will not be counted in the result.
- b. This accountability indicator incorporates the monitoring of the investment portfolio to ensure it is not exposed to any prohibited investments, in accordance with the Government's Responsible Investment Policy. For performance measurement, the actual portfolio direct share holdings will be compared with the prevailing prohibited shares list at the end of each month. The exposure measure will be the weighted value of any prohibited share investments on the total value of the share portfolio.
- c. This accountability indicator incorporates the exercising of proxy voting rights in accordance with the Government's Responsible Investment Policy. The target is that more than 95 per cent of all eligible voting items in the year will be cast in relation to the total voting items. The measure will be total actual votes cast compared to total eligible voting items.
- d. This accountability indicator incorporates raising new Territory borrowing requirements in accordance with approved borrowing limits and guidelines. The measure will be the actual number of conforming borrowing transactions compared to the total borrowing transactions completed.
- e. This accountability indicator incorporates the accurate and timely payment of Territory debt interest and principal repayment obligations being paid accurately and on-time. The measure will be the actual number of conforming debt servicing settlement transactions compared with the total number of settlement transactions completed.
- f. This accountability indicator incorporates the payment of budget appropriation disbursements to agencies to be completed accurately and within required timeframes. The measure will be the actual number of conforming disbursement payments compared with the total number of disbursement transactions completed.
- g. This accountability indicator incorporates monthly financial reporting and the preparation of accrual financial statements. The monthly financial reporting will not be counted for the year if the financial statements are not prepared after the end of each month.
- h. This accountability indicator incorporates the preparation of the previous year's annual financial statements for auditing and inclusion in the Chief Minister, Treasury and Economic Development Directorate annual report. The objective is to receive an unmodified auditor's report.
- i. This accountability indicator incorporates the preparation of annual budget estimates for inclusion in the annual Territory Budget.
- j. This accountability indicator incorporates the preparation of a summary of the outcomes of the Government's Responsible Investment policy, as at 30 June of the previous financial year, for the financial investment assets managed through the Territory Banking Account. The measure will be the annual production and publication on Treasury's website.



Superannuation Provision Account

Management Discussion and Analysis

Superannuation Provision Account

For the Financial Year Ended 30 June 2026

Overview

The Superannuation Provision Account (SPA) was established to set funds aside to meet the Territory's unfunded employer defined benefit superannuation liabilities.

These liabilities relate to current and former ACT Government employees who are members of Commonwealth defined benefit superannuation schemes, including the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS), both of which are administered by the Commonwealth Government agency, Commonwealth Superannuation Corporation (CSC).

With the exception of ongoing employer productivity contributions, the employer-financed component of members' retirement benefits is unfunded and does not become payable until members retire.

The SPA is not a superannuation scheme for ACT Government employees and does not receive employee contributions. Instead, the SPA receives annual budget appropriation and reimburses the Commonwealth Government for the employer-financed component of benefit payments made by CSC.

The financial performance of the SPA is influenced by both investment returns on the investment assets and annual actuarial valuations of the superannuation liability. Liability valuations are particularly sensitive to changes in member experience and key financial and demographic assumptions.

The investment assets are managed in accordance with an approved Investment Plan, which has a long-term target return objective of CPI plus 4.75 per cent per annum. During 2025-26 the investment portfolio achieved a return of 9.25 per cent (12.43 per cent in 2024-25), equivalent to a real return of CPI plus 4.87 per cent. Over the past 30 years to 30 June 2026, the portfolio has delivered an average annual return of 8.00 per cent per annum, or approximately CPI plus 5.19 per cent, exceeding the long-term target.

The actuarial valuation at 30 June 2026 reflected higher-than-assumed salary growth and changes in membership experience during 2024-25. These impacts were more than offset by a higher discount rate at 30 June 2026 relative to the budget assumption, together with higher-than-assumed investment returns on member balances and lower-than-assumed pension indexation.

Although net liabilities decreased during the financial year, total liabilities continued to exceed total assets as at 30 June 2026. This funding position does not affect the SPA's ability to meet current benefit obligations. The account is expected to remain in a net liability position until investment assets have grown sufficiently to fully fund the outstanding defined benefit liability.

Financial Performance

This Management Discussion and Analysis (MD&A) has been prepared using the SPA's audited financial statements for 2024-25 and 2025-26, together with the 2025-26 Budget and the forward estimates presented in the 2026-27 Budget Statement.

The 2025-26 financial statements accompanying this MD&A use the original budget published in the 2025-26 Budget Papers as the basis for comparison.

Table 1 – Operating Activities and Forward Year Estimates

\$'millions	Actual 2024-25	Budget 2025-26	Actual 2025-26	Budget 2026-27
Total income	754.5	499.1	628.3	552.7
Total expenses	673.0	672.3	669.7	682.1
Operating Result	81.4	(173.2)	(41.5)	(129.4)

Note: Numbers may not add due to rounding.

Income

Income comprises distributions received from investment assets and changes in the fair value of the investment portfolio, including net capital gains.

Expenses

Expenses primarily comprise superannuation expenses associated with the defined benefit superannuation liability, administration fees payable to the Commonwealth Superannuation Corporation, and other professional services and operating costs.

Operating Result

The SPA recorded an operating deficit of \$41.5 million in 2025-26, which was \$131.7 million better than the budgeted deficit of \$173.2 million.

This outcome was primarily driven by investment performance, with the investment portfolio achieving a return of 9.25 per cent, exceeding the budget assumption of 7.54 per cent.

Despite exceeding budget expectations, the 2025-26 result was \$122.9 million lower than the operating surplus of \$81.4 million reported in 2024-25. The decline was largely attributable to lower investment earnings, which totalled \$622.8 million from distributions and net gains on investments in 2025-26, compared to \$748.9 million in the previous financial year.

This reduction in investment earnings reflects a lower portfolio return of 9.25 per cent in 2025-26, compared with 12.43 per cent in 2024-25.

Financial Position

Table 2 – Financial Position and Forward Year Estimates

\$'millions	Actual 2024-25	Budget 2025-26	Actual 2025-26	Budget 2026-27
Total Assets	6,853.5	7,134.0	7,466.4	7,837.9
Total Liabilities	10,699.4	10,680.7	10,440.9	10,936.2
Net Liabilities	3,845.8	3,546.7	2,974.5	3,098.3

Note: Numbers may not add due to rounding.

Total Assets

The SPA's assets comprise investment assets held to meet the future employer defined benefit superannuation obligations.

At 30 June 2026, total assets were \$7,466.4 million, an increase of \$332.5 million (4.7 per cent) compared to the 2025-26 budget estimate of \$7,134.0 million. This favourable variance was largely driven by the investment return of 9.25 per cent exceeding the budget assumption of 7.54 per cent.

Compared with 30 June 2025, total assets increased by \$612.9 million (8.9 per cent), reflecting the investment performance achieved during the year.

Total Liabilities

Liabilities comprise the Territory's defined benefit employer superannuation obligations to the Commonwealth Government in respect of current and former ACT Government employees who are members of the CSS or PSS, together with defined benefit superannuation liabilities relating to Members of the Legislative Assembly.

Total liabilities at 30 June 2026 were \$10,440.9 million, which was \$239.8 million (2.2 per cent) lower than the budget estimate of \$10,680.7 million.

The lower-than-budget outcome reflects the latest actuarial valuation of the defined benefit liability, incorporating updated salary and membership data as at 30 June 2025. The valuation also reflected the application of a higher discount rate assumption of 5.24 per cent at 30 June 2026, compared with the long-term budget assumption of 5.0 per cent. The change in the discount rate more than offset the impact of higher-than-assumed salary growth and changes in membership experience during 2024-25.

Compared with 30 June 2025, total liabilities decreased by \$258.5 million (2.4 per cent). The year-on-year decrease primarily reflects the movement in the AASB 119 valuation discount rate from 4.80 per cent at 30 June 2025 to 5.24 per cent at 30 June 2026, which reduced the present value of future obligations and more than offset the effects of higher-than-assumed salary growth and changes in member experience.

Net liabilities at 30 June 2026 were \$2,974.5 million, a reduction of \$572.3 million compared with the budget estimate of \$3,546.7 million, and \$871.4 million lower than the \$3,845.8 million reported at 30 June 2025.

The improvement in the net liability position reflects both stronger-than-expected growth in investment assets and a reduction in the value of the defined benefit liability following the AASB 119 actuarial valuation completed in 2025-26.

Despite this improvement, total liabilities continue to exceed total assets, and the SPA remains in a net liability position as it progresses towards full funding of the superannuation obligations.

Funding Position

The funding ratio, measured as total assets relative to total liabilities, improved from 64.1 per cent at 30 June 2025 to 71.5 per cent at 30 June 2026, reflecting growth in investment assets and a reduction in the employer defined benefit superannuation obligation during the year.

Based on the 30 June 2026 financial position and current Budget assumptions, the SPA is projected to be approximately 88 per cent funded by 2030. As reflected in the 2026-27 Budget, the Government has established a fiscal measure to fully cover the defined benefit liability by 2035.

Superannuation Provision Account

Financial Statements for the year ended 30 June 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Superannuation Provision Account for the year ended 30 June 2026 which comprise the statement of responsibility, statement by the chief finance officer, statement of income and expenses on behalf of the Territory, statement of assets and liabilities on behalf of the Territory, statement of changes in equity on behalf of the Territory, statement of cash flows on behalf of the Territory, Territorial statement of appropriation and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Superannuation Provision Account's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

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

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

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

Responsibilities of the Superannuation Provision Account for the financial statements

The Under Treasurer is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Superannuation Provision Account to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statements of the Superannuation Provision Account.

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

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

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

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

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



Clea Lewis
Assistant Auditor-General, Financial Audits
8 September 2026

**Superannuation Provision Account
Financial Statements
For the Year Ended 30 June 2026**

Statement of Responsibility

In my opinion, the Superannuation Provision Account's financial statements fairly reflect the financial operations for the year ended 30 June 2026 and its financial position on that date.



Michelle Dowdell

A/g Under Treasurer

Chief Minister, Treasury and Economic Development Directorate

1 September 2026

**Superannuation Provision Account
Financial Statements
For the Year Ended 30 June 2026**

Statement by the Chief Finance Officer

In my opinion, the Superannuation Provision Account's financial statements have been prepared in accordance with the Australian Accounting Standards, are in agreement with its accounts and records and fairly reflect its financial operations for the year ended 30 June 2026 and the financial position on that date.



Patrick McAuliffe
Chief Finance Officer
Superannuation Provision Account
Chief Minister, Treasury and Economic Development Directorate
1 September 2026

Superannuation Provision Account

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For the Year Ended 30 June 2026

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Statement of Changes in Equity on Behalf of the Territory
Statement of Cash Flows on Behalf of the Territory
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Superannuation Provision Account
Statement of Income and Expenses on Behalf of the Territory
For the Year Ended 30 June 2026

	Note	Actual	Original	Actual
	No.	2026	Budget	2025
		\$'000	\$'000	\$'000
Income				
Investment Revenue	4.1	332,564	243,248	178,903
Net Gains on Investments	4.2	295,691	255,851	575,562
Total Income		628,254	499,099	754,465
Expenses				
Supplies and Services	5.1	4,216	4,583	4,179
Superannuation Expenses	5.2	665,531	667,690	668,864
Total Expenses		669,747	672,273	673,043
Operating Result		(41,493)	(173,174)	81,422
Other Comprehensive Result				
Actuarial Gain on Territory's Defined Benefit Superannuation Liability	7.2.3	460,994	-	27,388
Total Other Comprehensive Result		460,994	-	27,388
Total Comprehensive Result		419,501	(173,174)	108,810

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

Superannuation Provision Account
Statement of Assets and Liabilities on Behalf of the Territory
At 30 June 2026

	Note	Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
	No.			
Current Assets				
Cash	6.1(a)	142,326	51,558	259,415
Receivables	6.2	187,761	60,221	39,546
Investments	6.3	7,136,361	7,022,186	6,554,583
Total Current Assets		7,466,448	7,133,965	6,853,543
Total Assets		7,466,448	7,133,965	6,853,543
Current Liabilities				
Payables	7.1	65	63	65
Estimated Superannuation Liabilities	7.2.3	479,372	475,550	451,859
Total Current Liabilities		479,437	475,613	451,924
Non-Current Liabilities				
Estimated Superannuation Liabilities	7.2.3	9,961,500	10,205,098	10,247,468
Total Non-Current Liabilities		9,961,500	10,205,098	10,247,468
Total Liabilities		10,440,937	10,680,711	10,699,392
Net Liabilities		(2,974,489)	(3,546,746)	(3,845,849)
Equity				
Accumulated Deficits		(2,974,489)	(3,546,746)	(3,845,849)
Total Equity		(2,974,489)	(3,546,746)	(3,845,849)

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

Superannuation Provision Account
Statement of Changes in Equity on Behalf of the Territory
For the Year Ended 30 June 2026

	Accumulated Deficits Actual 2026 \$'000	Total Equity Actual 2026 \$'000	Original Budget 2026 \$'000
Balance at 1 July 2025	(3,845,849)	(3,845,849)	(3,825,431)
Comprehensive Result			
Operating Result	(41,493)	(41,493)	(173,174)
Gain from Actuarial Review	460,994	460,994	-
Total Comprehensive Result	419,501	419,501	(173,174)
Transactions Involving Owners Affecting Accumulated Funds			
Capital Injections	451,859	451,859	451,859
Total Transactions Involving Owners Affecting Accumulated Funds	451,859	451,859	451,859
Balance at 30 June 2026	(2,974,489)	(2,974,489)	(3,546,746)

	Accumulated Deficits Actual 2025 \$'000	Total Equity Actual 2025 \$'000
Balance at 1 July 2024	(4,376,606)	(4,376,606)
Comprehensive Result		
Operating Result	81,422	81,422
Gain from Actuarial Review	27,388	27,388
Total Comprehensive Result	108,810	108,810
Transactions Involving Owners Affecting Accumulated Funds		
Capital Injections	421,947	421,947
Total Transactions Involving Owners Affecting Accumulated Funds	421,947	421,947
Balance at 30 June 2025	(3,845,849)	(3,845,849)

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

Superannuation Provision Account
Statement of Cash Flows on Behalf of the Territory
For the Year Ended 30 June 2026

	Note No.	Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
Cash Flows from Operating Activities				
Receipts				
Interest Received		5,471	2,372	5,601
Distributions Received		178,856	240,876	214,282
Other		40	28	22
Total Receipts from Operating Activities		184,366	243,276	219,905
Payments				
Supplies and Services		4,216	4,583	4,177
Superannuation		462,993	451,859	441,646
Other		17	-	16
Total Payments from Operating Activities		467,225	456,442	445,839
Net Cash Inflows/(Outflows) from Operating Activities	6.1(c)	(282,860)	(213,166)	(225,934)
Cash Flows from Investing Activities				
Payments				
Purchase of Investments		286,088	238,693	(11,845)
Total Payments from Investing Activities		286,088	238,693	(11,845)
Net Cash Inflows/(Outflows) from Investing Activities		(286,088)	(238,693)	11,845
Cash Flows from Financing Activities				
Receipts				
Capital Injections		451,859	451,859	421,947
Total Receipts from Financing Activities		451,859	451,859	421,947
Net Cash Inflows/(Outflows) from Financing Activities		451,859	451,859	421,947
Net Increase/(Decrease) in Cash and Cash Equivalents		(117,089)	-	207,858
Cash at Beginning of Reporting Period		259,415	51,558	51,558
Cash at End of Reporting Period	6.1(a)	142,326	51,558	259,415

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

Superannuation Provision Account Territorial Statement of Appropriation For the Year Ended 30 June 2026

Description and Material Accounting Policies relating to Payment for Capital Injection

The Superannuation Provision Account's main ongoing source of funding is Capital Injection appropriation received from the ACT Government through the Territory Banking Account. Capital injection appropriations are not recognised as income, but instead are recognised as equity injections and a cash inflow which is used to purchase/build an asset(s) or to reduce a liability(s).

Column Heading Explanations

The Original Budget column shows the amounts that appear in the Statement of Cash Flows on Behalf of the Territory in the Budget Papers. This amount also appears in the Statement of Cash Flows on Behalf of the Territory.

The Total Appropriated column is inclusive of all appropriation variations occurring after the Original Budget.

The Appropriation Drawn is the total amount of appropriation received by the Superannuation Provision Account during the year. This amount appears in the Statement of Cash Flows on Behalf of the Territory.

	Original Budget 2026 \$'000	Total Appropriated 2026 \$'000	Appropriation Drawn 2026 \$'000	Appropriation Drawn 2025 \$'000
Capital Injections	451,859	451,859	451,859	421,947
Total Territorial Appropriation	451,859	451,859	451,859	421,947

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

Notes Relating to Territorial Statement of Appropriation

Capital Injections

The strategic policy objective is to fully fund the employer defined benefit superannuation liability to the Commonwealth Government over the next decade. The appropriation is used to pay the annual emerging cost payment (employer-share of Territory employee benefits) to the Commonwealth Government.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 1 OBJECTIVES OF THE SUPERANNUATION PROVISION ACCOUNT

The Superannuation Provision Account is a not-for-profit ACT Government entity (as profit is not its principal objective) in the General Government Sector that assists the ACT Government in the effective management of the defined benefit employer superannuation liabilities of the Australian Capital Territory (the 'Territory'), a body politic established by section 7 of the *Australian Capital Territory (Self Government) Act 1988 (Cwlth)*.

The Superannuation Provision Account was established to set funds aside to meet the Territory's unfunded employer defined benefit superannuation liabilities.

The defined benefit superannuation liabilities are in respect of current and former Territory employees who are members of Commonwealth defined benefit superannuation schemes, including the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS), as well as eligible Members of the Legislative Assembly (MLA) entitled to the Legislative Assembly Members' defined benefit superannuation scheme.

The Superannuation Provision Account is not a superannuation scheme for Territory employees, nor does it receive superannuation contributions from Territory employees. The Superannuation Provision Account receives budget appropriation and makes payments in connection with the Territory's defined benefit employer superannuation liabilities. The Superannuation Provision Account was established in 1991 to manage, recognise and account for the investment assets and defined benefit employer superannuation liabilities of the Territory. The undertakings of the Superannuation Provision Account form a significant element of the ACT Government's strategy of maintaining an adequate provision for the Territory's employer defined benefit superannuation liabilities and associated transactions.

The *Territory Superannuation Provision Protection Act 2000* provides for the protection of the funds dedicated to meeting the superannuation liabilities of the Territory, Territory Authorities and Territory-owned Corporations and for other purposes.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Legislative Requirement

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies. The FMA and the Financial Management Guidelines issued under the Act, requires the Superannuation Provision Account's financial statements to include:

- (i) a Statement of Income and Expenses on Behalf of the Territory for the year;
- (ii) a Statement of Assets and Liabilities on Behalf of the Territory at the end of the year;
- (iii) a Statement of Changes in Equity on Behalf of the Territory for the year;
- (iv) a Statement of Cash Flows on Behalf of the Territory for the year;
- (v) a Territorial Statement of Appropriation for the year;
- (vi) the material accounting policies adopted for the year; and
- (vii) other statements as necessary to fairly reflect the financial operations of the Superannuation Provision Account during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards (as required by the FMA); supplemented by following the ACT Accounting and Disclosure Policies.

2.2 Accrual Accounting

The financial statements have been prepared using the accrual basis of accounting. The financial statements have also been prepared according to the historical cost convention except for assets/financial instruments valued at fair value and valuation policies applicable to the Superannuation Provision Account during the reporting period.

2.3 Currency

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

2.4 Individual Not-For-Profit Reporting Entity

The Superannuation Provision Account is prescribed as a Directorate under the *Financial Management Act 1996* and is an individual not-for-profit reporting entity.

2.5 Territorial Items

The Chief Minister, Treasury and Economic Development Directorate produces Territorial financial statements for the Superannuation Provision Account. The Territorial financial statements include income, expenses, assets and liabilities that the Superannuation Provision Account administers on behalf of the Territory but does not control.

2.6 Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Superannuation Provision Account for the year ended 30 June 2026 together with the financial position of the Superannuation Provision Account as at 30 June 2026.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS - CONTINUED

2.7 Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2025-26 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the 2025-26 Budget Papers/Budget Addendum.

2.8 Prior Year Comparatives

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

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

2.9 Rounding

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

2.10 Going Concern

At 30 June 2026, the Superannuation Provision Account's liabilities of \$10.441 billion exceeded its assets of \$7.466 billion by \$2.974 billion (\$3.846 billion at 30 June 2025). The Superannuation Provision Account will continue to be in a net liability position until the defined benefit superannuation liability is fully funded by investment assets.

The net liability position is not considered a liquidity risk as the Superannuation Provision Account's material cash requirements (the annual superannuation emerging cost payments) are funded through capital injection budget appropriation by the Government on a cash-needs basis. The annual emerging cost payments are significantly less than the balance of available total investment assets. Budget appropriation will be provided annually from the Territory budget until such time as the liability is fully covered by investment assets.

The Superannuation Provision Account's 2025-26 financial statements have been prepared on a going concern basis as the Superannuation Provision Account has been funded in the ACT Government 2026-27 Budget and the Budget Papers include forward estimates for the Superannuation Provision Account.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 3 IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods and will be adopted from their application date.

Standards and Interpretations issued but yet to be applied have been assessed as not being relevant to Superannuation Provision Account or will have an immaterial financial impact on Superannuation Provision Account. However, AASB 18 *Presentation and Disclosure in Financial Statements* (applicable 1 January 2027 for for-profit public sector agencies or applicable 1 January 2028 for not-for-profit public sector agencies) does contain some major presentation/disclosure changes that will impact on Superannuation Provision Account including:

- that operating, investing and financing categories as well as additional subtotals have to be included in the agency's operating statement;
- the disclosure of management-defined performance measures and reconciliations of these measures with the subtotals required by AASB Standards; and
- enhanced requirements for the grouping (aggregation and disaggregation) of information in the financial statements and in the notes.

The AASB has issued an exposure draft (ED 338 *Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation*) that outlines modifications to AASB 18 for not-for-profit public sector entities. If these modifications in the exposure draft are adopted, they will effectively enable the Superannuation Provision Account to continue to broadly apply the existing disclosure requirements contained in AASB 101 *Presentation of Financial Statements*. However, as this exposure draft is not yet finalised, the impact on the Superannuation Provision Account financial statements from the adoption of AASB 18 cannot be determined at this time.

The Superannuation Provision Account is assessing the impact of this Standard and does not intend to adopt this Standard early. It will be adopted from its application date.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 4 INCOME ADMINISTERED ON BEHALF OF THE TERRITORY

Description and Material Accounting Policies relating to Income

Income is recognised at the fair value of the consideration received or receivable in the Statement of Income and Expenses on Behalf of the Territory.

	2026 \$'000	2025 \$'000
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4.1 Investment Revenue

Distributions

The Superannuation Provision Account receives distributions from its Investment Unit Holdings with the Territory Banking Account. Distribution income is recognised when the Superannuation Provision Account's right to receive payment is established.

Interest

Interest revenue is recognised using the effective interest method.

Cash at Bank Interest ¹	5,471	5,601
Distributions ²	327,071	173,296
Other	22	5
Total Investment Revenue	332,564	178,903

¹ Cash means deposits held at call with the Territory's transaction bank. A strategic cash management objective is to maintain sufficient liquidity within the Superannuation Provision Account to meet working capital requirements and investment commitment obligations.

² Distributions received from investments held with the Territory Banking Account fluctuate year on year subject to the amount of income available for distribution from the underlying investment asset class sector exposures. The increase in distribution income reflects the amount of income available for distribution.

4.2 Net Gains/(Losses) on Investments

Gains or losses on investments with the Territory Banking Account consist of realised and unrealised amounts. Gains or losses resulting from changes in the fair value of an investment are included in the Statement of Income and Expenses on Behalf of the Territory in the period in which they arise. Also refer to Note 8 Financial Instruments.

Net Gains on financial instruments at fair value through profit or loss (Investments)	295,691	575,562
Net Gains on Investments³	295,691	575,562

³ In 2025-26, investments recorded a positive investment return of 9.25 per cent (12.43 per cent in 2024-25) driven primarily by market gains in the investment portfolio valuation.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 5 EXPENSES ADMINISTERED ON BEHALF OF THE TERRITORY

	2026 \$'000	2025 \$'000
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Description and Material Accounting Policies relating to Expense

General – Supplies and Services

Purchases of Supplies and Services generally represent the day-to-day running costs incurred in normal operations, recognised in the reporting period in which these expenses are incurred. Supplies and Services are measured at the amount paid or payable, or where Supplies and Services have been provided free of charge, they are measured at their fair value at the time they are provided.

Administrative Support Expenses

The Superannuation Provision Account does not employ any staff and the functions of the Superannuation Provision Account are performed by officers of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and those employees are included in CMTEDD's Full Time Equivalent (FTE) staff numbers. Administrative support expenses are associated with the reimbursement of salary and associated expenses for the CMTEDD staff allocated to carry out the Superannuation Provision Account's functions.

Audit Fees

The ACT Audit Office performs the audit for the Superannuation Provision Account's financial statements and limited assurance engagement on the statement of performance (2025-26: \$65,401 and 2024-25: \$65,015). No other services were provided.

5.1 Supplies and Services

Administrative Support Expenses	179	229
Audit Fees	65	65
Consultancy Expenses	169	159
CSS/PSS Scheme Administrative Expenses	3,802	3,727
Total Supplies and Services	4,216	4,179

5.2 Superannuation Expenses

5.2.1 CSS/PSS Defined Benefit Superannuation Expense

The change in the estimated superannuation liability from the previous reporting period to the current reporting period comprises four elements: Service Cost; Interest Cost; Emerging Benefit Payments; and Actuarial Gains or Losses.

All movements in the estimated superannuation liability are expensed through the Statement of Income and Expenses on Behalf of the Territory in the period to which the movement relates except for actuarial gains or losses. The actuarial gains and losses are recognised as Other Comprehensive Income/(Loss) by applying the Direct to Equity Method as allowed under Australian Accounting Standard AASB 119 *Employee Benefits*.

In accordance with the requirements of AASB 119 the superannuation expense for the reporting period is the projected expense based on the previous year's financial year end AASB 119 superannuation liability valuation which applied a discount rate of 4.80 per cent to estimate the closing 30 June 2025 superannuation liability. The closing 30 June 2026 liability is estimated at the discount rate at 30 June 2026 of 5.24 per cent. The actuarial gain or loss is the difference between the closing 30 June 2026 liability and the 30 June 2025 liability, adjusted for the projected 2025-26 interest and service cost and actual emerging cost (benefit) payments.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 5 EXPENSES ADMINISTERED ON BEHALF OF THE TERRITORY – CONTINUED

5.2 Superannuation Expenses - Continued

5.2.1 CSS/PSS Defined Benefit Superannuation Expense - Continued

	2026 \$'000	2025 \$'000
Interest Cost Expense ⁴	501,989	493,924
Service Cost Expense ⁵	163,384	174,769
Total CSS/PSS Superannuation Expense	665,373	668,693

⁴ Interest cost is the change in the present value of the defined benefit obligation arising because past accrued benefits are one period closer to settlement.

⁵ Service cost is the change in the present value of the defined benefit obligation resulting from employee service during the financial year.

5.2.2 Members of the Legislative Assembly (MLA) Superannuation Expense

Superannuation Liability Expense	158	171
Total MLA Superannuation Expense	158	171
Total Superannuation Expenses	665,531	668,864

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 6 ASSETS ADMINISTERED ON BEHALF OF THE TERRITORY

Description and Material Accounting Policies Assets

Assets are classified as current where they are expected to be realised within 12 months or in relation to investments, are redeemable on demand by Superannuation Provision Account subject to market conditions after the reporting date. Assets, which do not fall within the current classification, are classified as non-current.

For the purpose of the Statement of Cash Flows on Behalf of the Territory and the Statement of Assets and Liabilities on Behalf of the Territory, cash means deposits held at call with the Territory's transactional bank.

	2026 \$'000	2025 \$'000
6.1 Cash		
(a) Cash at Bank Balance		
Description and Material Accounting Policies Relating to Cash		
Cash means deposits held at call in the Superannuation Provision Account transactional bank account. A strategic cash management objective is to maintain sufficient liquidity within the Superannuation Provision Account to meet working capital requirements and investment commitment obligations. The cash at bank balance reflects the liquidity needs of the Superannuation Provision Account and the timing of investment related cash flow requirements.		
Deposits Held at Call with a Financial Institution	142,326	259,415
Total Cash	142,326	259,415
(b) Reconciliation of Cash at the End of the Reporting Period in the Statement of Cash Flows on Behalf of the Territory to the Equivalent Items in the Statement of Assets and Liabilities on Behalf of the Territory		
Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory	142,326	259,415
Cash at the End of the Reporting Period as Recorded in the the Statement of Cash Flows on Behalf of the Territory	142,326	259,415
(c) Reconciliation of the Operating Result to Net Cash Inflows/(Outflows) from Operating Activities		
Operating Result	(41,493)	81,422
Add/(Less) Items Classified as Investing or Financing		
Net Gains on Investments (refer Note 4.2)	(295,691)	(575,562)
Actuarial Gain on Territory's Defined Benefit Superannuation Liability	460,994	27,388
Cash Before Changes in Operating Assets and Liabilities	123,811	(466,752)
Changes in Operating Assets and Liabilities		
Increase/(Decrease) in Payables	-	2
(Increase)/Decrease in Receivables	(148,215)	40,986
Increase/(Decrease) in Superannuation Liability	(258,456)	199,830
Net Changes in Operating Assets and Liabilities	(406,671)	240,818
Net Cash Inflows/(Outflows) from Operating Activities	(282,860)	(225,934)

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 6 ASSETS ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

6.2 Receivables

Receivables are initially measured at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recognised in the Statement of Income and Expenses on behalf of the Territory. Receivables include amounts for interest and investment distributions. Interest and investment distributions are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recognised as receivables.

Inter-agency receivables between ACT Government agencies are expected to have low credit risks. Treasury's whole-of-government accounting policy is that directorates, territory authorities and territory-owned corporations that consolidate into the whole-of-government financial statements will not measure any loss allowance for receivables collectible from other ACT Government agencies consolidated into the whole-of-government financial statements.

The Superannuation Provision Account is not subject to income tax or income tax equivalents but is subject to the Goods and Services Tax. The Superannuation Provision Account receives input tax credits for most expenses incurred and has a net Goods and Services Tax (GST) receivable as at reporting date. The net GST receivable should be excluded from the calculation deriving the allowance for the expected credit loss because of the assessed low credit risk.

	2026 \$'000	2025 \$'000
Distribution from Territory Banking Account ⁶	187,761	39,545
Australian Taxation Office (GST)	-	1
Total Receivables	187,761	39,546

⁶ Distributions fluctuate based on the amount of income available for distribution in the underlying asset class sectors. The increase in distribution receivable is due to the higher amount of income available for distribution from the Territory Banking Account.

6.3 Investments

Investments represent the funds set aside in the Superannuation Provision Account to be used to fund the emerging benefits payable in respect of the Territory's employer-financed component of the CSS and the PSS defined benefit superannuation liabilities and benefit payments for Members of the Legislative Assembly Defined Benefit Superannuation Scheme.

The Chief Minister, Treasury and Economic Development Directorate, through the Territory Banking Account, manages the Superannuation Provision Account's financial investment assets in accordance with an investment strategy that considers the risk and return objectives of the Superannuation Provision Account, in conjunction with those established for the Government as a whole, taking into account the long-term nature of the projected defined benefit employer superannuation liabilities and projected cash flow requirements.

The long-term investment return objective for the Superannuation Provision Account's financial investments is CPI plus 4.75 per cent per annum. To achieve the long-term target, the underlying investment asset class exposures, implemented in line with an approved strategic asset class allocation policy, include cash, money market securities, credit securities, domestic and international bonds, domestic and international listed equities, private equity, property and infrastructure.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 6 ASSETS ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

6.3 Investments - Continued

The Superannuation Provision Account makes long-term investments with the Territory Banking Account by acquiring units in the Territory Banking Account's financial investments portfolio. A unit represents a beneficial interest in the asset class sectors and its value changes in response to the market value of the underlying financial instruments. All unitised investments are designated at Fair Value through Profit or Loss with the carrying amount measured at fair value. Also refer to Note 8 Financial Instruments.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date and reflects the best available prices of the underlying financial investments. Subsequent to initial measurement, investments held through Fair Value through Profit or Loss are re-measured to fair value with changes in their fair value (gains/losses) recognised in the Statement of Income and Expenses on behalf of the Territory. Distributions earned on these investments are recorded as a separate revenue item.

These long-term investments are classified as current because they are redeemable, subject to market conditions, on the request of the Superannuation Provision Account.

	2026 \$'000	2025 \$'000
Investment Assets at Fair Value:		
Investments with the Territory Banking Account ⁷	7,136,361	6,554,583
Total Investments	7,136,361	6,554,583

⁷ The fair value of investments fluctuates year on year depending on the performance of the underlying financial investment exposures. In 2025-26, investments recorded a return of 9.25 per cent (12.43 per cent in 2024-25) driven primarily by share market gains in the investment portfolio valuation.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 7 LIABILITIES ADMINISTERED ON BEHALF OF THE TERRITORY

Material Accounting Policies Relating to Liabilities

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Superannuation Provision Account does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current.

7.1 Payables

Payables are measured at fair value on initial recognition based on the transaction cost and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recognised in Statement of Income and Expenses on Behalf of the Territory. All amounts are now normally settled within 14 days after the invoice date given the ACT Government accelerated the payments of invoices for local enterprises recognising the importance of cash flow to small and medium enterprises.

	2026 \$'000	2025 \$'000
Current Accrued Supplies and Services - General Government Sector	65	65
Total Current Payables	65	65

7.2 Estimated Superannuation Liabilities

7.2.1 CSS/PSS Defined Benefit Employer Superannuation

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

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

The CSS and PSS are types of defined benefit superannuation schemes, in which some or all of the benefits payable to members are defined in advance according to a set of formulas which are linked to factors such as years of service, final average salary and level of individual member contribution over time.

The defined benefit superannuation liability is valued on an annual basis using the most recent financial and demographic assumptions and membership data. The employer financed component of entitlements is unfunded and is not required to be paid until a member receives their benefit entitlement. As the employer financial obligations may be settled many years in the future, the estimated financial obligation is measured on a discounted basis. The ultimate cost of the financial obligation will be influenced by many factors and actuarial assumptions of future events that are required to measure the liability and expense.

7.2.2 Members of the Legislative Assembly Defined Benefit

The net defined benefit liability recognised at financial year end is the total annual percentage accrual of each member multiplied by the members' basic salary as per member entitlement.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 7 LIABILITIES ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

7.2 Estimated Superannuation Liabilities - Continued

7.2.3 Reconciliation of Estimated Superannuation Liabilities

	2026 \$'000	2025 \$'000
Estimated Superannuation Liabilities		
CSS/PSS Liability Reconciliation		
Opening Estimated Liability at 1 July	10,697,287	10,497,628
<i>Movements During the Year</i>		
Current Service Cost	163,384	174,769
Interest Cost	501,989	493,924
Superannuation Benefits paid to the Commonwealth	(462,993)	(441,646)
Actuarial (Gain) from changes in Financial Assumptions ⁸	(663,937)	(128,232)
Actuarial Loss from changes in Demographic Assumptions ⁸	-	-
Actuarial Loss from changes in Experience ⁸	202,943	100,844
Closing Estimated Liability at 30 June⁹	10,438,674	10,697,287
Legislative Assembly Members' Liability Reconciliation		
Opening Estimated Liability at 1 July	2,040	1,869
<i>Movements During the Year</i>		
Current Service Cost	158	171
Closing Estimated Liability at 30 June	2,198	2,040
Total Closing Estimated Liabilities at 30 June	10,440,872	10,699,327
 Total Current Liabilities	 479,372	 451,859
Total Non-Current Liabilities	9,961,500	10,247,468
Total Closing Estimated Liabilities at 30 June	10,440,872	10,699,327

⁸ The net Actuarial Gain or Loss, being the increase or decrease in the estimated projected liability valuation, is recognised in the Other Comprehensive Result in the Statement of Income and Expenses on Behalf of the Territory. The net Actuarial Gain recognised is the impact of changes in the actuarial assumptions used to value the liability including: the discount rate used to calculate the present value of benefit payments; demographic assumptions such as death and invalidity, resignation and retirement rates, benefit election options; and membership experience such as pension indexation and salary growth scheme membership.

The main assumption impacting the movement in the net Actuarial Gain is changes in the discount rate (Refer Note 7.2.4).

⁹ The decrease in the estimated liability valuation from 2025 to 2026 is due to another year of employee member service (service cost) and past liabilities coming one year closer to settlement (interest cost), offset by the annual benefit payment reimbursement to the Commonwealth Superannuation Corporation and the reduction in the liability valuation from the net Actuarial Gain. Refer to Note 7.2.4 for details of the assumptions applied in calculating the estimated liability valuation.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 7 LIABILITIES ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

7.2 Estimated Superannuation Liabilities - Continued

7.2.4 Actuarial Assessment of Estimated Superannuation Liabilities - CSS/PSS Defined Benefit Superannuation Liability

Significant judgements have been applied in estimating the CSS/PSS defined benefit employer superannuation liability as at 30 June 2026. The estimated liability for these benefits requires consideration of both financial assumptions including salary inflation, CPI and discount rate as well as demographic assumptions including the number of active contributors, deferred beneficiaries and pensioners, experience of employee resignations, retrenchment and retirement, experience of employee death and invalidity, longevity, and final retirement benefit stream election (lump sum, pension or both).

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

The key assumptions have a significant risk of causing a material adjustment to the carrying amount of the liabilities within the next annual reporting period.

As required by AASB 119 the actuarial assumptions must be unbiased, being neither imprudent nor excessively conservative, and mutually compatible if they reflect the economic relationships between factors. The financial and demographic assumptions are the best estimates of the variables that will determine the ultimate cost of the defined benefit financial obligations.

Financial Assumptions

The valuation of the accrued liability and projection of the estimated annual benefit costs requires financial assumptions about the future financial experience of the membership of the CSS and PSS. The key financial assumptions incorporate estimates of future member salary inflation and consumer price inflation, as well as the discount rate used to calculate the present value of the superannuation liability.

At 30 June	2026	2025	2024	2023
Discount Rate	5.24%	4.80%	4.72%	4.40%
Salary Inflation	3.00%	3.00%	3.00%	3.00%
Consumer Price Index	2.50%	2.50%	2.50%	2.50%

The Superannuation Provision Account is not a superannuation fund and therefore has no plan assets. Accordingly, an expected return on plan assets is not incorporated when estimating the defined benefit superannuation liability and expense.

Demographic Assumptions

The valuation of the accrued liability and projection of the estimated annual benefit costs requires assumptions about the future experience of the membership of the CSS and PSS.

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

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 7 LIABILITIES ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

7.2 Estimated Superannuation Liabilities - Continued

7.2.4 Actuarial Assessment of Estimated Superannuation Liabilities - CSS/PSS Defined Benefit Superannuation Liability - Continued

Membership Data

The estimate of the superannuation liability incorporates Territory employee CSS/PSS membership data at 30 June 2025. Commonwealth Superannuation Corporation supplied at 30 June 2025 those members who are currently employed by the Territory (Group A) and those members who are not currently employed by the Territory (Group B).

As the Commonwealth Superannuation Corporation is unable to provide membership data at 30 June 2026 in time for the valuation of the estimated superannuation liability at 30 June 2026, the valuation estimate incorporates membership data at 30 June 2025, but projected forward to 30 June 2026. This allows for projected service and salaries at 30 June 2026, expected exits over the 2025-26 financial year, actual crediting rates on member and productivity accounts to 30 June 2026, as well as actual pension indexation rates.

Limitations in Salary and Membership Data

Detailed checks are carried out by the Chief Minister, Treasury and Economic Development Directorate's actuary to test the integrity of the salary and membership data, including a detailed reconciliation of the current data with the data used for the previous valuation.

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

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

Risk Exposure

The ultimate cost of the defined benefit obligation will be influenced by many financial and demographic variables. Key financial and demographic variables include salary growth, rate of inflation, employee contributions, employee turnover, employee benefit election, and changes in life expectancy for pensioners. The present value valuation of the superannuation liability is also significantly impacted by the discount rate.

Changes in the financial and demographic assumptions will have a significant impact on the carrying amount of the total estimated superannuation liability.

Sensitivity Analysis

The following sensitivity analysis is based off the liability valuation at 30 June 2026, which used a discount rate of 5.24 per cent, and the liability valuation at 30 June 2025, which used a discount rate of 4.80 per cent.

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

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 7 LIABILITIES ADMINISTERED ON BEHALF OF THE TERRITORY - CONTINUED

7.2 Estimated Superannuation Liabilities - Continued

7.2.4 Actuarial Assessment of Estimated Superannuation Liabilities - CSS/PSS Defined Benefit Superannuation Liability - Continued

30 June 2026 Defined Benefit Obligation

	Increase \$'000	Decrease \$'000
Financial Assumptions		
Discount Rate (+/- 1%)	(1,294,000)	1,609,000
Consumer Price Index (+/- 1%)	1,282,000	(1,078,000)
Salary Inflation (+/- 1%)	266,000	(243,000)
Demographic Assumptions		
PSS Pensioner Election Rate (+/- 5%)	125,000	(126,000)

30 June 2025 Defined Benefit Obligation

	Increase \$'000	Decrease \$'000
Financial Assumptions		
Discount Rate (+/- 1%)	(1,397,000)	1,756,000
Consumer Price Index (+/- 1%)	1,358,000	(1,126,000)
Salary Inflation (+/- 1%)	302,000	(274,000)
Demographic Assumptions		
PSS Pensioner Election Rate (+/- 5%)	138,000	(138,000)

Effect of the CSS/PSS Defined Benefit Plans on Future Cash Flows

Annual budget appropriation to the Superannuation Provision Account funds the emerging cost benefit payments. This allows the Superannuation Provision Account financial investment assets to grow with earnings unencumbered by the management of cash flows associated with benefit payments, supporting the Government's financial objective of fully funding the defined benefit superannuation liability over the next decade.

7.2.5 Estimated Superannuation Liabilities – Members of the Legislative Assembly Defined Benefit Scheme

This defined benefit plan has only one remaining member. Due to the immaterial nature of this defined benefit obligation, the computational estimate at 30 June 2026 is a reliable approximation of the value of the defined benefit obligation as required under AASB 119.

NOTE 8 FINANCIAL INSTRUMENTS

Description and Material Accounting Policies Relating to Financial Instruments

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in the note to which they relate. In addition to these policies, the following are also accounting policies relating to financial assets and liabilities.

Financial assets are classified as amortised cost, fair value through other comprehensive income or fair value through profit or loss based on both:

- (a) the business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 8 FINANCIAL INSTRUMENTS - CONTINUED

The following are the classification of Superannuation Provision Account's financial assets under AASB 9 *Financial Instruments*:

Items	Business Model Held to collect principal and interest/sell	Solely for payment of Principal and Interest SPPI Test (basic lending characteristics)	Classification
Cash	Held to collect	Yes	Amortised cost
Receivables	Held to collect	Yes	Amortised cost
Investments	Held to collect /& sell	No	Fair Value Through Profit or Loss

Financial liabilities are measured at amortised cost.

The investments of the Superannuation Provision Account comprise units in the Territory Banking Account Investments portfolio. The primary financial risk management objective for the Superannuation Provision Account is the maximisation of returns on investments within relevant risk tolerances, whilst minimising cost, for those funds set aside for the payment of the Territory's unfunded CSS/PSS defined benefit employer superannuation liabilities.

The underlying investment exposures include the financial risks associated with cash, money market securities, fixed income bonds (domestic and international) listed equities (domestic and international), private equity, property and infrastructure. Investment exposures are managed to an agreed Investment Plan which is structured with the purpose of achieving the long-term investment return objective (CPI plus 4.75 per cent per annum).

8.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial market instrument will fluctuate because of changes in prevailing levels of market interest rates. A small percentage of the Superannuation Provision Account's financial assets are held as cash at bank which has a variable interest rate exposure.

Sensitivity analysis has not been undertaken for the interest rate risk of the Superannuation Provision Account as it has been determined that the possible impact on income or total equity from fluctuations in interest rates is immaterial. The Superannuation Provision Account's interest rate risk exposure and management of the risk has not changed since the last reporting year.

8.2 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Direct credit exposure for the Superannuation Provision Account is mainly attributed to cash at bank and distributions receivable from the Territory Banking Account. Inter-ACT Government agency receivables between ACT Government agencies are expected to have low credit risks and the cash at bank counterparty has a very strong capacity to meet financial commitments. The Superannuation Provision Account's credit risk exposure and management of the risk has not changed since the last reporting year.

8.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Superannuation Provision Account is exposed to price risk as a result of its investment unit holdings in the Territory Banking Account. The investment unit price fluctuates as a result of changes in value in the underlying investment portfolio exposures.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 8 FINANCIAL INSTRUMENTS - CONTINUED

8.3 Price Risk - Continued

The Territory Banking Account manages the price risk arising from these investments by diversifying the portfolio in accordance with the Superannuation Provision Account's Investment plan. Exposures to asset classes sectors comprising cash, money market securities, fixed income bonds (domestic and international), equities (domestic and international), private equity, property and infrastructure are maintained in line with the strategic asset allocation that has been structured to achieve the Superannuation Provision Account's long-term investment objective within acceptable risk tolerances. Under the investment structure, investments are diversified by geography, sector and financial instrument type to manage the risks associated with changing financial and economic conditions. More details can be found in the financial statements of the Territory Banking Account. The Superannuation Provision Account's price risk exposure and management of the risk remains consistent with the last reporting year.

The table below summarises Superannuation Provision Account's exposure to price risk.

	2026 \$'000	2025 \$'000
Investments	7,136,361	6,554,583
	7,136,361	6,554,583

The following table summarises the sensitivity of the Superannuation Provision Account operating result and equity to price risk.

30 June 2026	Profit/Equity Impact \$'000	Loss/Equity Impact \$'000
Volatility Factor ¹⁰	9.30%	9.30%
Investments with the Territory Banking Account	663,682	663,682
30 June 2025	Profit/Equity Impact \$'000	Loss/Equity Impact \$'000
Volatility Factor ¹⁰	8.20%	8.20%
Investments with the Territory Banking Account	537,476	537,476

¹⁰ The expected volatility factor represents the estimated variance in return for the Superannuation Provision Account's investment strategy. The volatility of returns reflects the inherent risk in the investments. The reasonably possible movements in risk variables are continually assessed and have been determined based on best estimates, having regard to a number of factors including historical correlation of the investment strategy with relevant benchmarks and market volatility.

Actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the underlying investments are invested.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 8 FINANCIAL INSTRUMENTS - CONTINUED

8.4 Liquidity Risk

Liquidity risk is the risk that the Superannuation Provision Account is unable to meet its financial obligations as they fall due.

The Chief Minister, Treasury and Economic Development Directorate's objective for the Superannuation Provision Account is to minimise liquidity risk by monitoring financial obligations as they fall due. The Superannuation Provision Account's more immediate liquidity needs are for funding working capital, meeting the annual emerging cost benefit payments to the Commonwealth Superannuation Corporation and for managing fund flows for investment asset classes in accordance with the Investment Plan.

The estimated superannuation liability reflects the expected settlement of financial liabilities in relation to the CSS/PSS. The amounts disclosed represent undiscounted cash flows for the respective obligations in relation to upcoming fiscal years. These estimates are actuarially determined and represent annual emerging cost payments to the Commonwealth Superannuation Corporation. The expected financial liabilities are to be met from annual budget appropriation and from a diversified pool of financial investment assets.

The exposure to liquidity risk is not significant based on the assessment of current and future cash flow requirements, current budget appropriations and total investment assets. The Superannuation Provision Account's liquidity risk exposure and management of the risk has not changed since the last reporting year.

The following table provides an analysis of financial liability cash flow estimates. Figures are presented on an undiscounted basis.

30 June 2026	Less than 3 Months	3 Months to Less than 1 Year	1 Year to Less than 5 Years	Greater than 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	65	-	-	-	65
Superannuation Liabilities	119,843	359,529	2,760,461	25,527,262	28,767,095
Total Financial Liabilities	119,908	359,529	2,760,461	25,527,262	28,767,160

30 June 2025	Less than 3 Months	3 Months to Less than 1 Year	1 Year to Less than 5 Years	Greater than 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	65	-	-	-	65
Superannuation Liabilities	105,487	316,460	2,501,167	26,434,666	29,357,779
Total Financial Liabilities	105,552	316,460	2,501,167	26,434,666	29,357,845

8.5 Fair Value of Financial Assets and Liabilities

In preparing these financial statements, the carrying amount of the Superannuation Provision Account investments with the Territory Banking Account recognised at the end of each reporting period approximate their fair values. Investments at fair value through profit and loss are initially measured at fair value with all subsequent remeasurements recognised in the comprehensive income.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 8 FINANCIAL INSTRUMENTS - CONTINUED

8.5 Fair Value of Financial Assets and Liabilities - Continued

(a) Fair Value Measurements Recognised in the Statement of Assets and Liabilities on Behalf of the Territory

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

- (i) Level 1 – Fair Value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
- (iii) Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the purposes of presenting the Fair Value Hierarchy, analysis is performed on investments held by the Superannuation Provision Account as at reporting date.

The Superannuation Provision Account investments held within the Territory Banking Account financial investments are fair valued at redemption price on a daily reflecting the best available prices and valuation of the underlying investments and are considered Level 2 Investments.

(b) Recurring Fair Value Measurement of Assets and Liabilities

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, it is determined whether transfers have occurred between levels in the Fair Value Hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

30 June 2026	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investments	-	7,136,361	-	7,136,361
	-	7,136,361	-	7,136,361
30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investments	-	6,554,583	-	6,554,583
	-	6,554,583	-	6,554,583

There were no transfers between Level 1, 2 or 3 in the period.

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 9 RELATED PARTY DISCLOSURES

Description and Material Accounting Policies Relating to Related Party Disclosures

A related party is a person that controls or has significant influence over the reporting entity or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Superannuation Provision Account, directly or indirectly.

Key Management Personnel (KMP) of the Superannuation Provision Account are the Portfolio Minister and certain senior officers of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) allocated to carry out the functions of the Superannuation Provision Account (the Senior Management Team).

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of the Superannuation Provision Account.

This note does not include typical citizen transactions between the KMP and the Superannuation Provision Account that occur on terms and conditions no different to those applying to the general public.

(A) Controlling Entity

The Superannuation Provision Account is an ACT Government controlled entity.

(B) Key Management Personnel

B.1 Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2026.

Compensation of the Head of Service is included in the note on related party disclosures included in the CMTEDD's financial statements for the year ended 30 June 2026.

The Superannuation Provision Account does not employ any staff. The members of the Senior Management Team who are KMP of the Superannuation Provision Account are employees of the CMTEDD and are compensated by CMTEDD. Compensation by the Superannuation Provision Account directly to its KMP was Nil (2024-25: Nil).

B.2 Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Superannuation Provision Account.

B.3 Transactions with parties related to Key Management Personnel

There were no transactions with parties related KMP that were material to the financial statements of the Superannuation Provision Account.

(C) Transactions with Other ACT Government Controlled Entities

The Superannuation Provision Account has entered into transactions with other ACT Government entities in 2025-26 consistent with day to day business operations provided under varying terms and conditions. The notes to the financial statements provide the details of transactions with other ACT Government entities. Below is a summary of the material transactions with other ACT Government Entities.

Superannuation Provision Account
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 9 RELATED PARTY DISCLOSURES - CONTINUED

(C) Transactions with Other ACT Government Controlled Entities - Continued

Investment Assets

- Financial investment assets are managed by CMTEDD through the Territory Banking Account. The relevant transactions with the Territory Banking Account include Distribution from Investments (Note 4.1); Net Gains/(Losses) on Investments (Note 4.2); and Investments (Note 6.3).

Expenses

- Administrative Support Expenses (Note 5.1) – The Superannuation Provision Account reimbursed CMTEDD for the salary and other associated expenses for the CMTEDD staff allocated to carry out its functions.
- Audit Fees (Note 5.1) – The Superannuation Provision Account paid financial audit fees to the ACT Audit Office.

Capital Injection

- Capital Injection Appropriation (Statement of Appropriation) – Funding received from the ACT Government through the Territory Banking Account to reimburse the Commonwealth Government for superannuation benefits (Note 7.2.3).

Superannuation Provision Account

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2026

NOTE 10 BUDGETARY REPORTING

Significant Accounting Judgements and Estimates – Budgetary Reporting – Territorial

Significant judgements have been applied in determining what variances are considered ‘major variances’. Variances are considered major if both of the following criteria are met:

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

Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period Budget Statements. These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Note: ^ in the ‘Variance %’ column represents a variance that is greater than 999 per cent or less than -999 per cent.

Statement of Income and Expenses on Behalf of the Territory

	Actual 2026 \$'000	Original Budget ¹¹ 2026 \$'000	Variance \$'000	Variance %	Variance Explanation
Investment Revenue	332,564	243,248	89,316	37%	Investment revenue mainly comprises distributions received from investments held with the Territory Banking Account. These fluctuate year on year subject to the amount of income available for distribution from the underlying investment asset class sector exposures. The decrease in distribution income reflects the amount of income available for distribution.
Gains on Investments	295,691	255,851	39,840	16%	Investments recorded a positive return of 9.25 per cent for the financial year ended 30 June 2026 driven primarily by market gains in the investment portfolio valuation. The 2025-26 Budget assumption was CPI+4.75 per cent (7.54 per cent).
Actuarial Gain on the Defined Benefit Superannuation Liability	460,994	-	460,994	N/A	The variance reflects the annual superannuation liability valuation review and changes in financial assumptions for the 30 June 2026 AASB119 liability valuation, primarily as a result of a higher discount rate of 5.24 per cent at 30 June 2026 compared to the budget assumption of 5 per cent. A higher discount rate reduces the present value of the liability.

Superannuation Provision Account
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2026

NOTE 10 BUDGETARY REPORTING – CONTINUED

Statement of Cash Flows on Behalf of the Territory

	Actual 2026	Original Budget ¹¹ 2026	Variance	Variance	Variance Explanation
	\$'000	\$'000	\$'000	%	
Statement of Cash Flows on Behalf of the Territory					
Investment Receipts	178,856	240,876	(62,020)	(-26%)	Distributions received from investments held with the Territory Banking Account fluctuate year on year subject to the amount of income available for distribution from the underlying investment asset class sector exposures. The decrease in distribution income reflects the amount of income available for distribution.
Purchase of Investments	286,088	238,693	47,395	20%	The purchase of investments is determined by the actual amount of cash available for investment while maintaining sufficient working capital in the Superannuation Provision Account Cash at Bank account.

¹¹ The Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2025-26 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Superannuation Provision Account

Statement of Performance for the year ended 30 June 2026

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Superannuation Provision Account for the year ended 30 June 2026.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2026 are not in agreement with the Superannuation Provision Account's records or do not fairly reflect, in all material respects, the performance of the Superannuation Provision Account, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Superannuation Provision Account's responsibilities for the statement of performance

The Under Treasurer is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Superannuation Provision Account.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Superannuation Provision Account's records or do not fairly reflect, in all material respects, the performance of the Superannuation Provision Account, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Superannuation Provision Account, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Superannuation Provision Account.



Clea Lewis
Assistant Auditor-General, Financial Audits
8 September 2026

**Superannuation Provision Account
Statement of Performance
For the Year Ended 30 June 2026**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Superannuation Provision Account's records and fairly reflects the service performance of the Superannuation Provision Account during the year ended 30 June 2026 and also fairly reflects the judgements exercised in preparing them.



Michelle Dowdell
A/g Under Treasurer
Chief Minister, Treasury and Economic Development Directorate
1 September 2026

Superannuation Provision Account **Statement of Performance** **For the Year Ended 30 June 2026**

EBT Class 1: SUPERANNUATION PROVISION ACCOUNT EBT 1.1 SUPERANNUATION PROVISION ACCOUNT Description: Management of the Territory's defined benefit employer superannuation liabilities and financial investment assets				
	Original Target 2026	Actual Result 2026	Variance from Target (%)	Explanation of Material Variances (+/- 5%)
TOTAL COST (\$'000)	672,273	669,747	0	
Accountability Indicators				
a. Completion of annual liability valuation review	1	1	-	
b. Completion of monthly financial reporting	12	12	-	
c. Completion of unmodified annual financial statements	1	1	-	
d. Completion of annual budget estimates	1	1	-	
e. Compilation of MLA Member superannuation statements	1	1	-	

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

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost measure was not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Superannuation Provision Account

Statement of Performance

For the Year Ended 30 June 2026

Explanation of the Accountability Indicators

- a. This accountability indicator involves an annual actuarial review of the Territory's defined benefit employer superannuation liabilities that will be completed and included in the budget estimates.
- b. This accountability indicator incorporates monthly financial reporting and the preparation of accrual financial statements. The monthly financial reporting will not be counted for the year if the financial statements are not prepared after the end of each month.
- c. This accountability indicator incorporates the preparation of the previous year's annual financial statements for auditing and inclusion in the Chief Minister, Treasury and Economic Development Directorate annual report. The objective is to receive an unmodified auditor's report.
- d. This accountability indicator incorporates the preparation of annual budget estimates for inclusion in the annual Territory Budget.
- e. This accountability indicator incorporates the preparation of annual Member Information Statements for those Members of the Legislative Assembly who have a defined benefit superannuation entitlement on 30 June in accordance with the *Legislative Assembly (Members' Superannuation) Act 1991*. Any individual Member Information Statement for the previous financial year not delivered by end September of the Budget Year will not be counted in the result.