



ACT
Government

ANNUAL REPORT 2015-16

Territory and
Municipal Services
Directorate

Volume 1

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Transport Canberra and City Services Directorate acknowledges the Ngunnawal people as the traditional owners and custodians of the Canberra region and that the region is also an important meeting place and significant to other Aboriginal groups. We respect the Aboriginal and Torres Strait Islander peoples, their continuing culture, and the contribution they make to the Canberra region and the life of our city.

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Ms Meegan Fitzharris, MLA
Minister for Transport and City Services
ACT Legislative Assembly
London Circuit
CANBERRA CITY ACT 2601

Dear Minister

Transmittal Certificate

I present the 2015-16 Annual Report of the Territory and Municipal Services (TAMS) Directorate. The report has been prepared by the Transport Canberra and City Services Directorate, which replaced TAMS on 1 July 2016.

This report has been prepared under section 5(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the Annual Report Directions. The report has been prepared in conformity with all other legislation applicable to the preparation of an Annual Report for TAMS.

I certify that the information in the attached report, and information provided for whole of Government reporting, is an honest and accurate account and that all material information on the operations of TAMS has been included for the period 1 July 2015 to 30 June 2016.

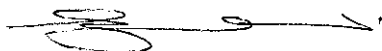
I hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards*, Part 2.

The report has been produced in two volumes:

- > Volume 1 contains the annual report of TAMS and the annexed reports of the Animal Welfare Authority and the ACT Veterinary Surgeons Board; and
- > Volume 2 contains the annual report of the ACT Public Cemeteries Authority.

Due to the 2016 election, section 13(1)(b) of the *Annual Reports (Government Agencies) Act 2004* requires that the responsible Minister present the report to the Legislative Assembly on the second sitting day after the election is held.

Yours sincerely



Emma Thomas
Director-General
Transport Canberra and City Services Directorate
6 October 2016

About this report

The TAMS Annual Report 2015-16 is published in two volumes.

- > Volume 1 contains the annual report of TAMS and the annexed reports of the ACT Veterinary Surgeons Board and the Animal Welfare Authority; and
- > Volume 2 contains the annual report of the ACT Public Cemeteries Authority.

The contents pages and alphabetical index of this document will help you navigate to specific information in the report, while the compliance statement lists the annual reporting requirements for 2015-16 and the page numbers where the information appears.

Accessibility

Transport Canberra and City Services (TCCS) is committed to making its information accessible to as many people as possible. This report is available as a printed document, an accessible PDF and in HTML on our website at www.tccs.act.gov.au. If you have difficulty reading a standard print document and need alternative formats; if you are deaf or hearing impaired; or if English is not your first language; you can get help from the following services:

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THE BIG PICTURE: OVERVIEW OF TAMS

- > OUR RESPONSIBILITIES
- > LEADERSHIP AND PLANNING
- > THE YEAR IN REVIEW
- > DIRECTOR-GENERAL'S OUTLOOK FOR 2016-17

OUR RESPONSIBILITIES

TAMS played a key role in building and maintaining Canberra's environmental, social, cultural and economic capital.

TAMS delivered a range of services to the Canberra community including public transport, libraries, waste and recycling services, infrastructure maintenance and management of territory assets including recreational facilities. Through core services and programs delivered to the community, TAMS helped to ensure Canberra remains a great place to live, work and relax. Our activities also contributed to the ACT Government's commitment to building a liveable, sustainable and contemporary city with a focus on urban renewal, better transport, economic growth and social inclusion.

TAMS invested in the planning, building and maintenance of many of the Government's infrastructure assets such as roads, bridges, cycling and community paths and the streetlight network.

Healthy living spaces for the enjoyment of the people of Canberra were cultivated by TAMS, whilst ensuring that the ACT's natural and cultural environments were protected, preserved and enhanced.

Providing operational and strategic management of parks and reserves across the ACT including the Tidbinbilla Nature Reserve, Namadgi National Park and Canberra Nature Park was a core function of TAMS during the reporting period.

As a regulator, TAMS ensured compliance with Territory and national standards. TAMS supported the appropriate use, management and conservation of unleased public land and open spaces as well as Canberra's extensive urban forest. TAMS also processed land development applications, managed biosecurity issues and domestic animal control and welfare, issued permits for public land use and deliver city ranger services.

Capital Linen Service, ACT NOWaste and the Yarralumla Nursery were managed by TAMS. TAMS also had administrative oversight responsibility for the ACT Veterinary Surgeons Board, the Animal Welfare Authority and the ACT Public Cemeteries Authority that operates Woden, Gungahlin and Hall cemeteries. The annual report of the ACT Veterinary Surgeons Board and the Animal Welfare Authority appear as annexed reports to this Volume and that of the ACT Public Cemeteries Authority is published in Volume 2 of this report.

Delivery of TAMS operations connected with the community in numerous ways. To ensure services meet community needs and expectations, customers were engaged and consulted with using a variety of mechanisms such as letterbox drops, online and hardcopy surveys, social media, information displays at shopping centres and community meetings and drop-in consultations.

During the year there were machinery of government changes which saw the National Arboretum Canberra¹ transferred from TAMS to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) on 22 January 2016. Their report for 2015-16 can be found in CMTEDD's annual report.

¹ Note the financial information for the National Arboretum Canberra is reported in TAMS' financial statements for the period prior to transfer to CMTEDD.

Vision	A high performing responsive TAMS working to make Canberra Australia's most liveable city
Values	Respect Integrity Collaboration Innovation
Goals	Better Connections Caring for the Environment Better Places Contributing to City Life
Clients and stakeholders	Chief Minister Minister for Transport and City Services Minister for Planning and Land Management ACT Legislative Assembly ACT Government Directorates ACT residents Visitors to the ACT ACT businesses Community organisations and peak representative groups Australian Government agencies Suppliers and contractors Professional bodies and unions
Outcomes	Delivering great services Bringing out the best in our people Working smarter, efficiently and collaboratively Better community engagement Being responsive and agile Being accountable and professional

OUR STRUCTURE

On 8 April 2016 the ACT Government announced new administrative arrangements which included that from 1 July 2016 the Capital Metro Agency (CMA) and TAMS would cease with the establishment of a new Directorate, Transport Canberra and City Services (TCCS).

TCCS brings together the CMA, ACTION buses and the existing municipal services functions of TAMS, including libraries, roads, recycling and waste, local shopping centres and public spaces. Parks and Conservation Services were moved into the Environment and Planning Directorate (EPD).

As part of the transition to the new Directorate an interim structure for TAMS was established in May 2016. In recognition of the significant scope of the new Directorate, the interim structure included four senior executive roles, reporting to the Acting Director-General TAMS:

- > Deputy Director-General, Transport Canberra;
- > Deputy Director-General, City Services;
- > Chief Operating Officer; and
- > Executive Director, Strategy Innovation and Customer Experience.

The Deputy-Director General, Transport Canberra leads the Light Rail Project delivery and manages the provision of a transport system for Canberra that is integrated, convenient, reliable and efficient. The position is tasked with leading modal shift in transport usage to increase public transport patronage.

Duncan Edghill was appointed as the Acting Deputy Director-General, Transport Canberra in May 2016. He was also performing his duties as Executive Director, Commercial with the CMA during the transition period.

The Deputy Director-General, City Services is responsible for the management of the majority of urban infrastructure, delivery of capital works projects and maintenance of public open spaces and city places. The position also manages the municipal services provision for TCCS such as urban rangers, public libraries, cemeteries and waste management. Yarralumla Nursery and Capital Linen Service, also report to the position.

Jim Corrigan was appointed as the Acting Deputy Director-General, City Services in May 2016.

The Chief Operating Officer provides leadership in the strategic planning, governance and business support services for TCCS. The position also facilitates engagement with the Minister, the public

and stakeholders on behalf of the Directorate.

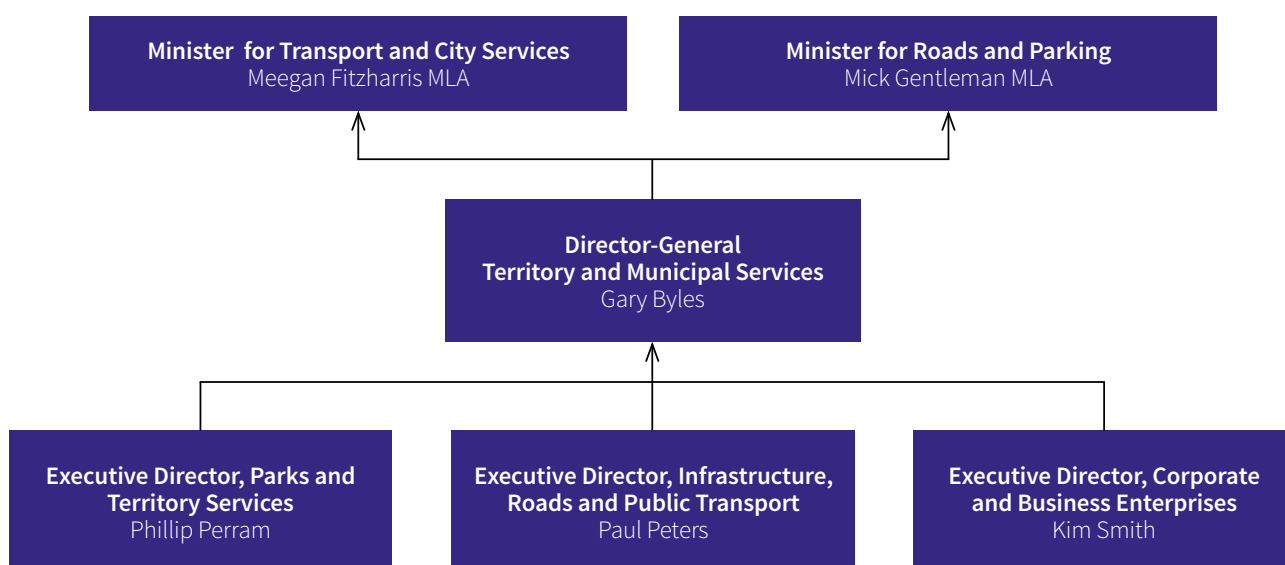
The position is also responsible for all corporate functions for TCCS such as financial management, procurement, legal services, communications, human resource management, work health and safety and participation in whole of Government activities.

Cherie Hughes was appointed to the role in May 2016. She was also performing her duties as Chief Operating Officer with the CMA during the transition period.

The Executive Director, Strategy Innovation and Customer Experience leads TCCS strategy development, the active travel agenda and supports schools co-ordination. The position also drives whole of Directorate research into emerging technologies, innovation agenda and trials, and leading our customer experience and focus through developing and refining marketing and brand, engagement including surveys, and complaint and compliment management.

This position was vacant between the commencement of the interim TCCS structure and 30 June 2016.

For the majority of the reporting period, TAMS was structured as follows:



The Director-General was responsible for the strategic direction and the efficient administration of TAMS. The Director-General was also a member of the ACT Public Service (ACTPS) Strategic Board that provides whole of Government leadership for the ACTPS.

Gary Byles held the position until April 2016.
Ben Ponton was appointed Acting Director-General in April 2016.

The Executive Director, Parks and Territory Services Division was responsible for Parks and Conservation, City Services, ACT NOWaste and Libraries ACT. The position was also responsible for the operation of the Yarralumla Nursery and held the statutory responsibility for the Animal Welfare Authority.

Phillip Perram held this position until May 2016.

The Executive Director, Infrastructure, Roads and Public Transport Division held responsibility for road and transport infrastructure, capital works and public transport services. The position was also responsible for asset information and maintenance activities. The position was also the Coordinator-General Roads.

Paul Peters held this position until June 2016.

The Executive Director, Corporate and Business Enterprises managed corporate and operational support services for TAMS. The position also managed Capital Linen Services and provided Directorate based support and administrative oversight of the ACT Veterinary Surgeons Board and the ACT Public Cemeteries Authority.

Gordon Elliot was the Acting Executive Director until 22 February 2016 with Kim Smith returning to the position until May 2016.

EXECUTIVE REMUNERATION

The ACT Remuneration Tribunal is an independent statutory tribunal with responsibility for setting the remuneration, allowances and entitlements for public officials in the ACT including executives in the ACT Government. Further information can be found at: www.remunerationtribunal.act.gov.au



LEADERSHIP AND PLANNING

The ACT Government sets annual priorities for ACT Government directorates that are focused on achieving its goal of making Canberra one of Australia's most liveable cities. For 2015-16 the priorities were:

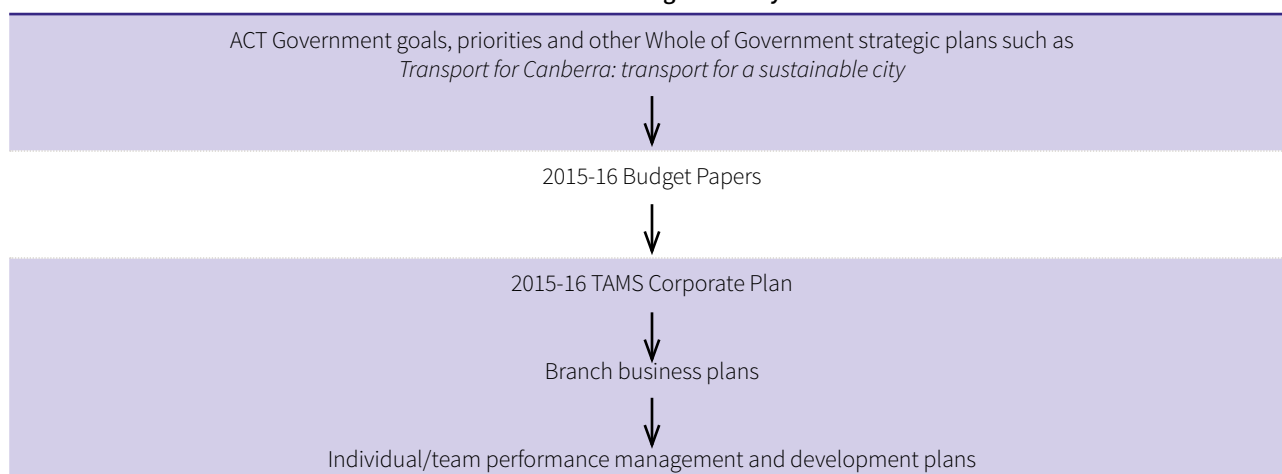
- > Health and education;
- > Economic growth and diversification;
- > Suburban renewal and better transport; and
- > Enhancing liveability and social inclusion.

The Executive Leadership Team (ELT) was the key decision making body for the Directorate. It also provided a regular forum for communication and consultation on matters relating to government decisions and priorities, ministerial directives and advice, ACTPS Strategic Board considerations, and other issues considered to have implications across the Directorate.

The ELT:

- > led the long term strategic direction of the Directorate and alignment with Government priorities;
- > set and monitored the Directorate's performance and accountability mechanisms, within a whole of Government framework;
- > set and monitored the corporate governance arrangements for the Directorate;
- > led change and actively managed processes for the Directorate to adapt and reposition itself, as required; and
- > stood up of the TAMS Emergency Management Team (EMT) as required.

TAMS Planning Hierarchy



The ELT was supported by eight senior management committees:

- > The Internal Audit Committee (IAC) oversaw governance, risk and the internal control environment on behalf of the Director-General and provided assurance on its effectiveness. The IAC met six times this year.
- > The Finance Committee met monthly, provided a strategic coordination role and facilitated ELT decisions and recommendations.
- > The Capital Works Committee met monthly and oversaw the TAMS capital works program budget and project management.
- > The Information and Communications Technology (ICT) Committee met monthly and advised the ELT on ICT strategy and policy.
- > The Strategic Asset Management Committee advised the ELT on the TAMS asset management policy and processes on a bi-monthly basis.
- > The Workplace Health and Safety Steering Committee met quarterly and provided leadership and direction in the management of workplace health and safety across TAMS.
- > TAMS Consultative Committee provided a forum for consultation between TAMS and unions on a quarterly basis.
- > The Risk Management Committee met quarterly and oversaw risk management processes within TAMS and reported to the ELT and IAC on key risks.

HIGHLIGHTS FOR 2015-16

During 2015-16, TAMS provided a diverse range of services to the ACT community. This included road construction and maintenance, information and library services, open space management and regulatory services. Highlights for 2015-16 for each output of TAMS include:

ROAD AND SUSTAINABLE TRANSPORT

- > Completed the construction of the Majura Parkway, an 11.5 kilometre dual carriageway connecting the Federal Highway in the north to the Monaro Highway in the south. The project was completed and opened to road users in April 2016, two months ahead of schedule.
- > Widening of Gungahlin Drive was completed to provide an additional southbound lane between Sandford Street and the Barton Highway.
- > The upgrade of Constitution Avenue, jointly funded by the ACT and Australian Governments continued. In September 2015 additional funding of \$2.8 million was provided to complete the connection of Constitution Avenue at its intersection with Vernon Circle.
- > Stage one of the duplication of Ashley Drive commenced, including the commencement of construction of a noise wall and a pedestrian bridge.
- > Commencement of several road upgrade projects to improve safety and increase capacity on the Gungahlin road network. This included the first stage to duplicate Gundaroo Drive between Gungahlin Drive and Mirrabai Drive and work on the Barton Highway roundabout.
- > Completion of upgrades to cycling and pedestrian infrastructure throughout Canberra to improve connectivity and safety for users.
- > Delivery of the largest road resurfacing program on record.





WASTE AND RECYCLING

- > Made in excess of 6.8 million household rubbish collections and 3.4 million household recycling collections.
- > Commenced a mattress recycling program through a social enterprise company, providing employment opportunities for disadvantaged Canberrans and stopping more than 18,000 mattresses from going to landfill each year.
- > Continued to increase landfill capacity by construction of new landfill cells at the Mugga Lane Resource Management Centre.
- > Generated electricity from landfill gas production at both the Mugga Lane and West Belconnen sites to produce enough electricity for approximately 3,000 average households.
- > Upgraded motor oil recycling facilities to enhance safety and reduce the threat of environmental hazards.

PUBLIC TRANSPORT

- > Took delivery of 29 new low emission buses for the ACTION fleet.
- > Refined the bus timetable to improve service reliability and on time running performance.
- > Completed the construction of a new diesel fuel farm and tanker unloading area within the ACTION Tuggeranong Depot.

- > Commenced a two-year trial of car sharing to give Canberrans the option to have all the benefits of a car without the hassle and expense of owning one.
- > Launched a 12 month trial of CBR free Wi-Fi on five ACTION buses.
- > Completed upgrading passenger facilities at Erindale shopping centre.

INFORMATION SERVICES (LIBRARIES ACT)

- > Loaned 2,514,615 physical items and 342,360 digital items to Libraries ACT members.
- > Opened a Makerspace at Civic Library, providing community access to electronic and technical facilities.
- > Continued to support lifelong learning by delivering programs and training to the ACT community.

LAND MANAGEMENT

- > Upgraded the mountain bike trails at Isaacs Ridge Pines to make them sustainable and safe for all users of the area.
- > Upgraded 52 playgrounds across Canberra to improve safety for children using the equipment and ensuring opportunities for outdoor activity were maintained.



- > Undertook large scale controlled burns across the ACT to manage bushfire risk and reviewed the fire trail network to ensure continued access for fire fighting activities.
- > Released a group of Eastern Quolls into the Mulligans Flat Woodland Sanctuary.
- > Introduced a registration system for ACT beekeepers to provide the capacity for coordinated response in the event of a bee disease outbreak.

REGULATORY SERVICES

- > Introduced the *Animal Welfare Amendment Act 2016* which provided better protection for the welfare, safety and health of animals in the ACT.
- > Enacted the *Domestic Animals (Breeding) Legislation Amendment Bill 2015* to prevent intensive breeding of dogs and cats for the local pet market.
- > Developed a permit booking system for holding events on public land.
- > Launched the ProjectWise data library to enable data self-service to the development industry.

CAPITAL LINEN SERVICES

- > Laundered and delivered over 6,300 tonnes of linen, an increase of 10 percent from 2014-15.
- > Introduced a trial of logging and displaying operator linen output in real time that provided productivity improvements, with implementation scheduled across the business in 2016-17.

YARRALUMLA NURSERY

- > Propagated over 200,000 individual plants grown from its own plant stock and seed bank.
- > Provided 8,095 plants under the Plant Issue Scheme to eligible homeowners.
- > Upgraded the Nursery's administration office.

TRANSPORT CANBERRA AND CITY SERVICES DIRECTOR-GENERAL'S OUTLOOK FOR 2016-17

The year ahead presents a range of challenges and opportunities for TAMS. From 1 July 2016, TAMS will merge with the CMA to become the Transport Canberra and City Services Directorate.

This merger will see the transition of Parks and Conservation into the EPD portfolio and the transition of the Light Rail Project into the new Transport Canberra division of TCCS.

There are four strategic priorities for TCCS in 2016-17:

- > improving business performance;
- > support economic growth and diversification;
- > improve liveability and social inclusion; and
- > contribute to a sustainable city.

2016-17 will see a renewed focus on customer service across all areas of TCCS. We will continue to deliver high quality services in more innovative and efficient ways, supporting the community through the delivery of services such as public libraries, waste and recycling collection, city amenity, infrastructure maintenance and management of the Territory's assets including recreational facilities, local shops amenity, playground equipment and upkeep of the city.

TRANSPORT CANBERRA PRIORITIES

TCCS has been given a remit for improving public transport outcomes and delivering on the ACT Government's vision for a public transport network that is convenient, efficient, affordable, reliable and well integrated with other modes of transport.

Priorities for 2016-17 include:

- > the commencement of construction of light rail;
- > undertaking a trial of electric buses;
- > designing and constructing active travel infrastructure for primary schools;
- > providing more bus services to new suburbs and trialling of a Weston Creek to Canberra City, via Cotter Road, service;
- > commencing the construction of a park and ride facility at Wanniasa; and
- > completing the concept design of the Woden bus depot.

CITY SERVICES PRIORITIES

TCCS will continue to deliver many of the great services previously provided by TAMS. 2016-17 will see an increase in many of these services, with more mowing, more weeding, more road upgrades, more community consultation and more cleaning of our city's suburbs.

Priorities for 2016-17 include:

- > duplication of Horse Park Drive, Aikman Drive, Cotter Road and Ashley Drive;
- > completion of the Constitution Avenue upgrade;
- > progression of the *ACT Waste Management Strategy 2011-2025*;
- > commencement of a household green waste bin pilot program; and
- > improved road maintenance, including landscaping at Majura Parkway and Pialligo Avenue.

Canberra is recognised as one of the most liveable cities in the world with other cities using it as their benchmark. TCCS wants Canberra to retain this status and will continually innovate and adapt our ways of working. The world is changing and new technologies are emerging, and we will take advantage of these to continue to provide connected services to the people of Canberra.

I look forward to what will be a great year ahead for TCCS.

Emma Thomas
Director-General
Transport Canberra and City Services Directorate



EASY ACCESS

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THE PERFORMANCE STORY

- > STRATEGIC INDICATORS
 - > OUTPUT 1.1: INFORMATION SERVICES (LIBRARIES ACT)
 - > OUTPUT 1.2: ROADS AND SUSTAINABLE TRANSPORT
 - > OUTPUT 1.1: PUBLIC TRANSPORT (ACTION)
 - > OUTPUT 1.3: WASTE AND RECYCLING
 - > OUTPUT 1.4: LAND MANAGEMENT
 - > OUTPUT 1.5: REGULATORY SERVICES
 - > OUTPUT 1.6: CAPITAL LINEN SERVICE

STRATEGIC INDICATORS

The ACT Government's plan to join with the community and local businesses to renew the city and bolster our economy builds on the strength of our city and our people to drive diversification, maintain our world class facilities and services and uphold our title of one of the most liveable cities in the world.

The Government's strategic priorities were:

- > Health and education;
- > Economic growth and diversification;
- > Suburban renewal and better transport; and
- > Enhancing liveability and social inclusion.

Our strategic planning focused on the contribution TAMS made towards the Government's long-term goals, and the strategic priorities, objectives and accountability indicators.

The 2015-16 ACT Budget provided TAMS with three strategic objectives that underpin planning and service delivery and four strategic indicators that help TAMS measure success in achieving those objectives.

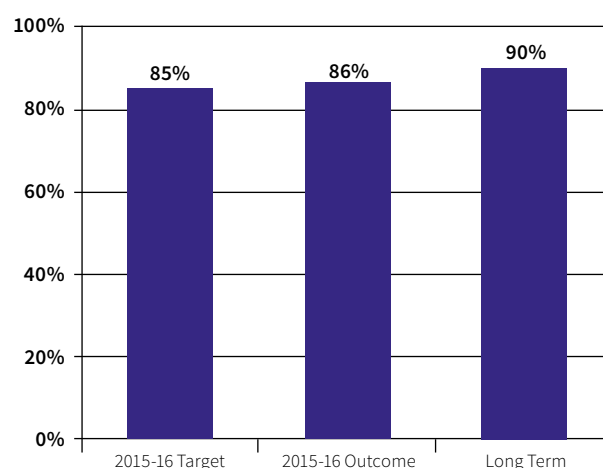
STRATEGIC OBJECTIVE 1: DELIVER HIGH-QUALITY SERVICES

The Canberra Plan: Towards our Second Century articulates the Government's priorities, one of which refers to the delivery of high quality services. One of the TAMS objectives was to ensure that services were consistently of high quality, timely, effective, cost efficient and met the needs of the community; that the city was well maintained and its assets protected; and that members of the community were able to participate in the making of decisions that affected them.

Strategic Indicator 1.1: Customer satisfaction continues to demonstrate improvement.

Overall customer satisfaction with the Directorate's services was measured through a customer satisfaction survey across the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, ACTION services, parks and reserves.

FIGURE 1: STRATEGIC INDICATOR 1.1 CUSTOMER SATISFACTION



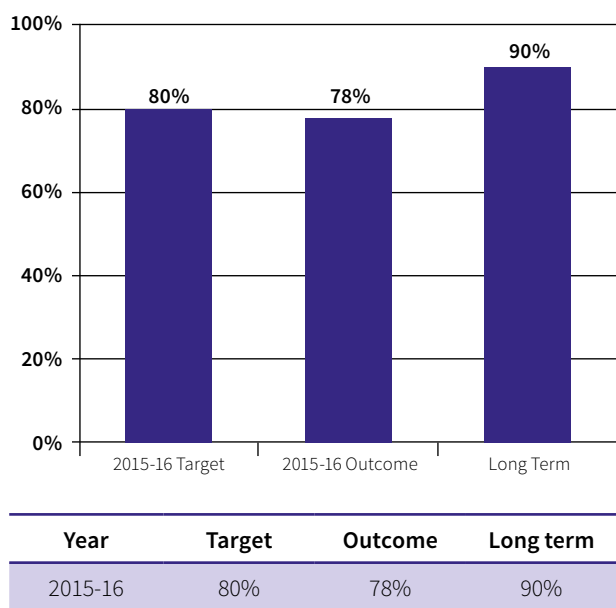
Year	Target	Outcome	Long term
2015-16	85%	86%	90%

In 2015-16 the services that people were most satisfied with included library services, waste collection and Canberra's cycling and walking paths.

Strategic Indicator 1.2: Satisfaction with community engagement continues to demonstrate improvement.

The Directorate undertook a wide range of community engagement activities such as public meetings, forums, surveys, discussion groups, focus groups, seminars, workshops and social media. This indicator measured satisfaction and the range of community engagement activities undertaken for those participating members of the public. Satisfaction levels were measured through a feedback process that was integrated into major consultation activities.

FIGURE 2: STRATEGIC INDICATOR 1.2 SATISFACTION WITH COMMUNITY ENGAGEMENT



Some of the major consultations for 2015-16 included changes to dog exercise areas, nature strip guidelines and age friendly travel improvements in Kaleen and Monash.

STRATEGIC OBJECTIVE 2: A SUSTAINABLE FUTURE

A sustainable future is also one of the Government's strategic themes articulated in *The Canberra Plan: towards our Second Century*. Its objective is to ensure that Canberra becomes a fully sustainable city and region and that future development is environmentally sensitive, maintains and protects natural assets and responds to the challenges of climate change.

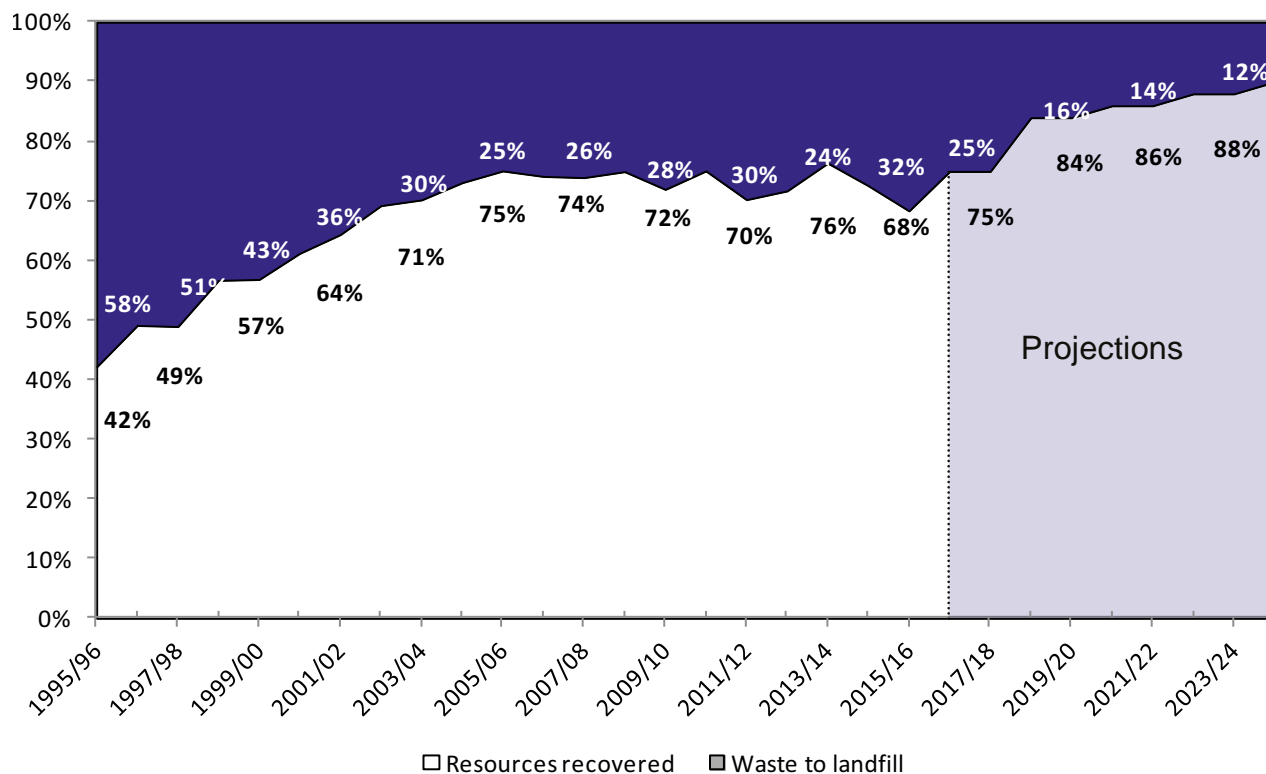
Strategic Indicator 2.1: Reduction in waste going to landfill as a proportion recovered from the waste stream.

A reduction in the amount of waste going to landfill was one of the strategic progress indicators towards achieving this objective. This indicator was calculated using weighbridge data of waste to landfill, and data provided by local ACT resource recovery and recycling industries.² The waste to landfill and resource recovery data were combined to provide a total waste generation level.



² The total tonnage of resource recovery is determined by an annual survey of over 100 businesses involved in reuse and recycling in the ACT. The actual result for 2015-16 includes some estimates as not all businesses completed the survey. A total of 690,894 tonnes of material was recovered from the waste stream with 319,310 tonnes of material sent to landfill.

FIGURE 3: STRATEGIC INDICATOR 2.1 REDUCTION IN WASTE GOING TO LANDFILL AS A PROPORTION RECOVERED FROM THE WASTE STREAM



Actual 2015-16	Target 2016-17	Target 2018-19	Target 2020-21	Target 2022-23	Target 2024-25
68% ³	75%	84%	86%	88%	90%

³ The 2015-16 resource recovery activities by the ACT Government and the private sector is lower than target due to increased waste to landfill from the Asbestos Eradication Program for the Mr Fluffy houses which did not form a part of the original estimates. A total of 690,894 tonnes of material was recovered from the waste stream with 319,310 tonnes of material sent to landfill.

ACTION⁴

STRATEGIC OBJECTIVE 1: INCREASING PATRONAGE

Public Transport initiatives play an important role in achieving the Government's *Transport for Canberra* and sustainability objectives. Factors that contribute to increasing patronage and modal share (the proportion of people choosing public transport relative to alternative modes such as private vehicles) include the:

- > reliability and frequency of network services;
- > accessibility and ride comfort provided by the bus fleet; and
- > accessibility and amenity provided by the infrastructure supporting public transport.

ACTION actively considers these factors, as it works toward achieving modal share shift, through implementation of an improved bus network. ACTION also continues to replace many of its ageing bus fleet and promoting use of the Real Time Passenger Information System (NXTBUS).

Strategic Indicator 1: The key indicator that is used to measure ACTION's performance is Total Yearly Passenger Boardings.

During the year there were changes to ACTION's weekend services including the introduction of an updated weekend timetable in October 2015. ACTION uses the MyWay ticketing system to measure the total number of individual passenger trips.

FIGURE 4: STRATEGIC INDICATOR 1 TOTAL YEARLY PASSENGER BOARDINGS



Total Yearly Passenger Boardings	2014-15	2015-16
Target	18,500,000	18,100,000
Actual	17,639,149	17,839,038

CHANGES TO TAMS OUTPUT CLASSES

TAMS formulated accountability indicators for each output class to measure its performance in meeting the Government's long-term vision for the Territory. These indicators were audited and can be found in the Statement of Performance.

As a result of new administrative arrangements coming into effect during 2015-16 changes were made to TAMS budget papers, output classes and outputs to reflect these new arrangements, in particular the management of the National Arboretum Canberra.

The following pages provide specific details on the services delivered through each of the outputs in place as at 30 June 2016.

⁴ Note that ACTION is shown separately in the ACT Government's budget paper hence the number of the objective is not sequential.

OUTPUT 1.1 INFORMATION SERVICES (LIBRARIES ACT)

The provision of library services to the community through Libraries ACT.

Libraries ACT is made up of nine public libraries located across Canberra, the Home Library Service, the ACT Heritage Library and Virtual Library comprising a suite of eResources such as eBooks and eAudio. In 2015-16, Libraries ACT membership was 63.6 percent of the Canberra population.

During the reporting period, the library continued to implement its strategic plan to further develop its customer focus, respond to the digital shift, and improve service delivery.

CELEBRATING READING AND LITERACY

Libraries ACT offers access to a collection of 570,537 items in various formats, including BorrowBox, a new eBook and eAudio service of over 4,499 eBooks and 2,699 eAudio books. 221 digital magazine titles are offered through Zinio digital magazines.

During 2015-16 Libraries ACT loaned 2,514,615 physical items, as well as 342,360 eBooks, eAudio, digital magazines, downloaded music, downloaded articles and streamed content. Monthly deliveries of books, audio books and other material to 300 members of the community who are unable to access public libraries in person were also provided.

Visits from authors were hosted by Libraries ACT including Judy Nunn, Mark Henshaw, LJM Owen and Australian Children's Laureate, Jackie French. Libraries ACT also participated in a range of community events including the ACT Seniors' Expo, the ACT Retirement and Lifestyle Expo and the National Multicultural Festival.

LIFELONG LEARNING

Libraries ACT is a catalyst for lifelong learning by connecting people with information and ideas in various formats and supporting learning outside formal education pathways.

In 2015-16 continued access to learning resources and programs was provided by:

- > delivering 1,828 lifelong learning programs attended by over 74,000 people, including 60,000 participants at Giggle and Wiggle and story time;
- > delivering 150 technology training sessions to the community, teaching participants to be smart, safe and responsible citizens in the digital world;
- > partnering with the Canberra Theatre Centre for programs connected with performances of *The Peasant Prince* and *The 52-Storey Treehouse*, and the ACT Writers' Centre for a series of writing workshops; and
- > participating in Tracks to Reconciliation, a collaborative Reconciliation Week program coordinated by the Community Services Directorate.

DIGITAL SERVICES

Libraries ACT encourage the use of digital services to develop digital skills, incorporating emerging technologies into the library and providing electronic access and a quality digital user experience.

Libraries ACT also continued to respond to digital and technological needs and developments including piloting eSafe Spaces, a program of the Office of the Children's eSafety Commissioner. This saw key staff trained to help young people deal with cyber bullying and how to make cyber bullying reports.

A Makerspace was opened in 2015-16 at Civic Library, providing access to 3D printers, educational small computing devices, electronics, simple robotics and computer animated design and editing software. Over 400 people attended Makerspace open days and we have responded to a growing number of requests for Makerspace inductions for people to work to design, fabricate, prototype and improve projects.

RECORDING THE ACT'S HERITAGE

Libraries ACT records the ACT's place in the national record by continuing to collect, preserve, promote and provide access to the documents that record the lives of Canberrans at home and in the wider community. This is delivered through the ACT Heritage Library.

In 2015-16, 12,469 new items were added to the growing collection at the ACT Heritage Library of publications, archival collections, images, maps and plans and items of ephemera.

The ACT Heritage Library completed its ANZAC Centenary initiative of Calling the Roll online to acknowledge and recognise the men and women of the ACT who served in World War I.

At the Chief Minister's WWII Veterans' Reception, staff and volunteers gave attendees individual demonstrations of the ACT Memorial database, which includes the names of 3,817 local returned service men and women. The database has attracted over 687,000 hits during the reporting period.

Priorities for 2016-17 include:

- > upgrading the Library Management system with patron self check in; and
- > coordinating programs and a visit from Australian Children's Laureate, Leigh Hobbs.

SUPPORTING THE COMMUNITY

Libraries ACT undertook other activities to improve customer service and support government services including continuing the centralised booking system for library community rooms streamlining the booking process for our community spaces.



OUTPUT 1.2: ROADS AND SUSTAINABLE TRANSPORT

Management of the ACT's roads and associated assets, stormwater infrastructure, community paths, bridges, traffic signals, streetlights and car parks.

ROAD DESIGN AND BUILDING

Construction of the Majura Parkway, an 11.5 kilometre dual carriageway connecting the Federal Highway in the north to the Monaro Highway in the south, was completed and opened to road users in April 2016, two months ahead of schedule. The \$288 million project, which commenced in early 2013, was jointly funded by the ACT and Australian Governments and is the single largest road infrastructure investment ever constructed in the ACT.

Significant progress was made on the \$42 million Constitution Avenue upgrade project, which is also jointly funded by the ACT and Australian Governments. In September 2015, the ACT Government committed additional funding of \$2.8 million to complete the connection of Constitution Avenue at its intersection with Vernon Circle. Once complete this upgrade will provide a major thoroughfare for pedestrians, cyclists, public transport and motorists.

Four bridges on the Monaro Highway have been upgraded this year to meet the high mass vehicle strength requirements.

Work commenced on the first stage of the \$24.6 million duplication of Ashley Drive. Construction of the new noise wall along sections of Ashley Drive is underway and due for completion in July 2016 and work is progressing on the construction of the new pedestrian bridge over Monks Creek. Works have also commenced on the gas main relocation which will allow for the main road construction works to progress. The new pedestrian bridge will provide a connection between Richardson and Isabella Plains, linking residents with key public transport routes.

Several road upgrade projects, to improve safety and increase capacity on the Gungahlin road network, commenced in 2015-16. Work is underway on the first stage to duplicate Gundaroo Drive between Gungahlin Drive and Mirrabai Drive. Work is also progressing on the Barton Highway roundabout to provide an additional lane on all approaches and through the roundabout as well as signalisation of the roundabout to improve safety and manage traffic flow is scheduled for completion in late 2016.

Widening of Gungahlin Drive southbound between Sandford Street and the Barton Highway was completed, addressing a significant traffic bottleneck and providing additional network capacity to cater for traffic during the construction of the light rail.

Designs for the upgrade of various intersections including Hindmarsh Drive intersections with Tuggeranong Parkway off ramp, Launceston Street and Eggleston Crescent have been completed. The project will provide for signalisation of these three intersections to better manage access into the adjacent suburbs and improve the movement of buses at these locations. Designs for the signalisation of Belconnen Way and Springvale Drive intersections have also been completed addressing a safety issue at this location.

A new 510 metre section of shared path from Bowen Place car park to Eastlake Parade was completed in November 2015. The new path enables cyclists and pedestrians to safely move around Kingston and Barton precincts, improving the connection between the Parliamentary Triangle and the Kingston area.

The upgrades to the Sullivans Creek shared path providing raised pedestrian crossings at Masson Street, Condamine Street and Goodwin Street have been completed. Works to widen sections of shared path between Barry Drive and Wattle Street are being progressed with these works also including a new raised crossing on Watson Street in Turner.

The design of the Molonglo to the City Cycle Highway from Acacia Inlet to the Australian National University (ANU) at Acton Peninsula was completed. The design proposes a solution to widen the path along the highly constrained lake edge to make it safer for the variety of users. The design for the realignment of the section from the ANU into the City was also completed.

Feasibility studies were completed in January 2016 for West Belconnen to the City. Plans for minor works to improve way-finding and connectivity between the Belconnen Town Centre and the University of Canberra are also being prepared.

The Woden Town Centre to Canberra Hospital pedestrian connection upgrade was completed with improved path conditions and connections, way-finding signage, and upgraded road crossing paths. The Woden Town Centre walking and cycling network improvements feasibility study was completed in March 2016. Several options to improve missing links and upgrade sections of path to meet network requirements have also been designed, including major upgrades to Corrina, Furzer and Matilda Streets to improve the amenity for pedestrians and cyclists.

Feasibility studies looking into Active Travel improvements were completed in January 2016 for the Belconnen Town Centre. Designs are being prepared for major works to improve the facilities on Benjamin Way, north of College Street, to better connect the town centre.

The design of age-friendly active travel improvement priorities for the suburbs of Ainslie, Weston, Monash and Kaleen was completed. Construction across these four suburbs is scheduled to be completed by December 2016 with work being progressed in Weston and Ainslie during 2016-17.

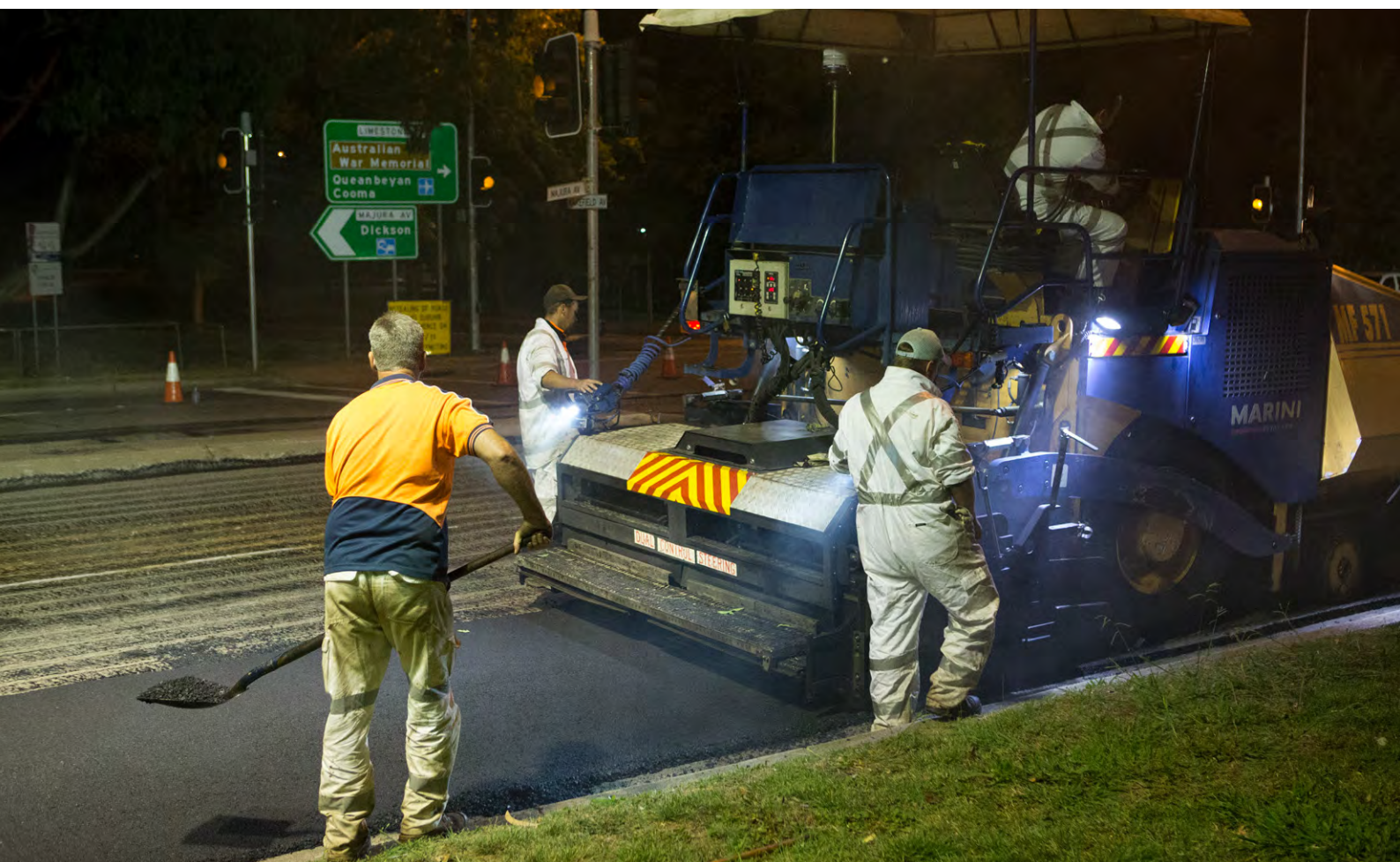
Upgrades to the Barton Highway/Gundaroo Drive/William Slim Drive intersection commenced in October 2015 with completion expected in late 2016. The new shared path bridge over Ginninderra Creek was placed in April 2016 and the bridge is open for use.

ROAD MAINTENANCE AND SAFETY

Roads ACT is responsible for the maintenance of 6,700 lane kilometres or over 23 million square metres of surfaced roads within the ACT. The Australian Government provided additional 'Roads to Recovery' funding in 2015-16, which has been used to increase the annual road resurfacing program. One million square metres of resurfacing (337,493 square metres of territorial network and 676,928 square metres of the municipal network) was carried out in 2015-16 which is the largest resurfacing program delivered to date.

This additional funding has resulted in 5.1 percent of the territorial road network and 4 percent of the municipal road network being resurfaced. This will assist in maintaining the backlog of resurfacing works throughout the territory.

In 2015-16 Roads ACT trialled an eco friendly road resurfacing asphalt with recycled materials, such as printer toner and recycled road pavement, included in the final low carbon asphalt mix. The site of this trial was Kelleway Avenue in Nicholls, with approximately 160 tonnes of asphalt laid, saving 2.24 tonnes of carbon dioxide. Roads ACT will monitor the site and make an assessment as to the performance of the mix.



STORMWATER

Roads ACT maintains the urban stormwater network which comprises of sumps, stormwater pipes, stormwater channels, water quality pond embankments, cut off drains, retarding basins, gross pollutant traps, dams and weirs.

Urban development significantly increases the area of impervious surfaces from which rainfall quickly runs off. These surfaces include building roofs, paved areas, roads and car parks, and they can also include, but to a lesser extent, grassed and garden areas.

As stormwater runoff flows over the landscape it collects pollutants. The stormwater network in the ACT incorporates various pollution control systems intended to remove pollution from water before it flows into the Murrumbidgee River.

Priorities for 2016-17 include:

- > progressing the workforce management plan for Roads ACT;
- > progressing the review of the strategic asset management plan for road infrastructure;
- > identifying business improvements between Roads ACT and City Presentation;
- > audit of stormwater operations and management requirements; and
- > contributing to the development of the Energy Management Program for street lighting.



OUTPUT 1.1 PUBLIC TRANSPORT (ACTION BUS NETWORK)⁵

ACTION's principal objective is to provide public transport services to the ACT community. Those services consist of scheduled route bus services, school bus services, special needs transport and management of the ACT rural school bus contract.

MEETING COMMUNITY NEEDS

As at 30 June 2016, ACTION had 415 buses in service, including 303 wheelchair accessible buses and 356 buses fitted with bike racks. ACTION has continued an accelerated fleet delivery model that has seen the delivery of 29 new Euro VI emission compliant standard buses during 2015-16. The current fleet replacement program is due for completion in the first half of 2016-17.

ACTION saw an increase in passenger boardings of approximately 200,000 for 2015-16. Supporting this increase was an improvement to service reliability and on time running for bus services both of which make public transport a more viable travel choice for commuters. Refinements to the ACTION timetable through analysis of MyWay and NXTBUS performance data also contributed to ACTION exceeding the target for on time running.

The flexible bus service, providing demand responsive transport to disadvantaged sectors of the community, continued to see increased patronage. The 20,000th passenger trip occurred in April 2016. It is envisaged that patronage will continue to increase in 2016-17 with the service being expanded to areas of Gungahlin and the inner north.

In April 2016 the launch of car share operations across five locations within the Territory now allows the community easy access to these vehicles and opening up a new form of transport for those in a position to do away with their own car and utilise this service instead.

In February 2016 Canberra's National Multicultural Festival saw the successful planning and delivery of a temporary relocation of the City bus station and delivery of additional bus services. ACTION recorded 19,000 additional boardings over the three day festival.

In April 2016 ACTION used the 'register to ride' initiative to allow customers to pre-register their intention to travel to ANZAC Day ceremonies on ACTION's services, an opportunity ACTION's customers have not had before. This initiative proved highly successful with feedback from the public indicating that registering and receiving a ticket gave a sense of transport reliability.

MAINTENANCE AND DEVELOPMENT

2015-16 saw the completion of a major project to construct a new diesel fuel farm and tanker unloading area within the ACTION Tuggeranong Depot. This included the installation of new above ground fuel tanks and the removal of the older below ground storage tanks.

ACTION has continued to work with the National Heavy Vehicle Regulator, seeking approval to install bike racks to an additional 59 buses. Approval is expected in 2016-17.

In January 2016 Public Transport successfully upgraded the MyWay recharge agent network to provide more options for customers to purchase and manage MyWay Concessions. The MyWay autoloading process was also updated to include the option of paying by credit card.

The creation of the Transport Canberra Division within TCCS will allow for collaboration between service planners for bus networks and construction of light rail to deliver an integrated transport network for Canberra.

Priorities for 2016-17 include:

- > progressing a ticketing technology roadmap to advise the most feasible pathways to progressively procure the public transport ticketing technology to modernise the current MyWay system for Canberra's future multi-modal transport needs;
- > development of a public transport fare strategy;
- > working with the National Heavy Vehicle Regulator for approval of bike rack installations on articulated and steer tag buses; and
- > commencement of a trial of electric buses.

⁵ ACTION is separately shown in the ACT Government budget papers hence the number of the objective is not sequential.

OUTPUT 1.3: WASTE AND RECYCLING

Provision of domestic waste and recycling collection services, operation of resource management and recycling centres, and implementation and evaluation of waste management programs, including household garbage and recycling.

RESOURCE RECOVERY AND RECYCLING

TAMS continued the implementation of the *ACT Waste Management Strategy 2011–2025* with over 6.8 million household rubbish collections and 3.4 million household recycling collections made during the year. From this 109,545 tonnes of material was collected with 35,251 tonnes recovered from the waste stream and recycled.

Overall the waste recovery rate was 68.39 percent for 2015-16 compared to 72.6 percent in 2014-15. This reduction in recovery is due to increased waste from the Asbestos Eradication Program for the Mr Fluffy houses which cannot be recovered.

Landfill capacity continued to be increased by constructing new landfill cells at the Mugga Lane Resource Management Centre. Further development of the waste management facilities was undertaken by implementing improvements to signage at recycling drop-off facilities in an effort to control contamination, illegal dumping and maximise recycling of waste at recycling drop-off facilities along with improved user education.

Safety at the Mitchell Resource Management Centre was enhanced with road widening, line marking, signage upgrades and construction of a new household hazardous waste facility.

Motor oil recycling facilities were upgraded at the Mugga Lane Resource Management Centre to enhance safety and reduce the threat of environmental hazards by improving site access, housing the facility in a new shed and additional measures to reduce the risk of spills due to overflow and high rainfall.

The water management system at West Belconnen Resource Management Centre has been upgraded to address changing operational demands as a result of the Asbestos Eradication Program. These upgrades include the de-silting of two dams thereby increasing their individual capacity, realignment of road networks in line with the site master plan and improved grey water drainage.

A two year waste feasibility study commenced to develop holistic and long term solutions that cover all aspects of waste management in the Territory, including service delivery, industry development, infrastructure, regulation, community engagement and education, data collection and analysis, and funding.

TAMS provided information and education to increase recycling and ensure waste management services and facilities are used appropriately.

During 2015-16, the ACT NOWaste Education Marketing Plan 2015-2018 commenced following market research that identified a number of key areas of confusion about recycling. The Get Psyched About Recycling campaign featuring the fictional Ricky Starr character was designed to clarify areas of confusion. This campaign began in December 2015 and continued until July 2016 at which point it will be evaluated.

TAMS continued to capture methane for the generation of electricity from landfill gas production at both the Mugga Lane and West Belconnen sites. 24,033 mega watt hours were captured during the year which was converted into enough electricity for approximately 3,000 average households. The methane capture capability of the Territory's landfills was increased with the installation of new wells and flow lines at the Mugga Lane and West Belconnen landfill sites. Twenty-five new wells were installed at the Mugga Lane Resource Management Centre, increasing the total number of wells from 128 to 153. The West Belconnen landfill, which currently has 99 wells, will increase to 110.

During 2015-16 TAMS ran other services aimed at reducing waste, these included:

- > free electronic waste (e-waste) recycling service which continued as part of the National Television and Computer Recycling Scheme. A total of 586 tonnes of televisions, computers, printers and computer products were recycled during the year;
- > a mattress recycling initiative with the aim of diverting over 18,000 mattresses a year from landfill. The mattress recycling initiative is run by social enterprise, Soft Landing, from the Hume recycling sheds;
- > bulky waste collections service (provided by the Green Shed) provided one free collection for eligible residents. There were over 3,250 free collections during the year. To be eligible for this service citizens must hold a Centrelink Pensioner's Concession Card, an ACTION Seniors MyWay card or a Department of Veteran Affairs Gold Card; and
- > free green waste disposal drop-off points recovered 281,041 tonnes of garden waste during the year.

Priorities for 2016-17 include:

- > construction of the next new cell in Area 1 at the Mugga Lane Resource Management Centre;
- > complete the waste feasibility study;
- > upgrade fencing at the Mugga Lane Resource Management Centre;
- > upgrade roads and traffic control devices at the Mugga Lane Resource Management Centre;
- > upgrade weighbridge facilities;
- > provide Government with options into the future of waste management in the Territory; and
- > rollout of the new pilot for kerbside garden waste collection in Weston Creek and Kambah.

WASTE MINIMISATION ACT 2001

No contraventions of a notice under the *Waste Minimisation Act 2001* were issued during the reporting year.



OUTPUT 1.4: LAND MANAGEMENT

Planning and management of the ACT's parks, reserves, open space system and plantations, including associated community infrastructure. The land manager role includes maintaining the look and feel of the city; management of land for recreational use; conservation management, including management of national parks, nature reserves and the urban forest; fire management; and pest and weed control. The 2015-16 ACT Budget included the National Arboretum Canberra in this output, however following machinery of government changes that came into effect on 22 January 2016 this will be reported by the Chief Minister, Treasury and Economic Development Directorate.⁶

PUBLIC LAND MANAGEMENT PLANS

No new public land management plans were introduced in 2015-16. The current list of plans is as follows:

Title of the public land management plan	Status	Year of commencement	Online location of public land management plan
Plans of Management under the <i>Planning and Development Act 2007</i>			
Woden and Weston Creek's Urban Parks and Sportsgrounds	Approved final	1998	www.legislation.act.gov.au/di/1998-242/default.asp
Belconnen's Urban Parks, Sportsgrounds and Lake Ginninderra	Approved final	1998	(see above – together as one on legislation register)
Inner Canberra's Urban Parks and Sportsgrounds	Approved final	2000	www.legislation.act.gov.au/di/2000-143/default.asp
Tuggeranong's Urban Parks and Sportsgrounds	Approved final	2000	(see above – together as one on legislation register)
Canberra's Urban Lakes and Ponds	Approved final	2001	www.legislation.act.gov.au/di/2001-173/default.asp
Urban Open Space and Public Access Sportsgrounds in the Gungahlin Region	Approved final	2007	www.legislation.act.gov.au/di/2007-298/default.asp
Reserve Management Plans under the <i>Nature Conservation Act 2014</i>			
Tidbinbilla Plan of Management 2012	Approved final	2012	www.legislation.act.gov.au/di/2012-193/default.asp
Namadgi Plan of Management 2010	Approved final	2010	www.legislation.act.gov.au/di/2010-192/default.asp
Canberra Nature Park Management Plan 1999 (New draft plan in preparation)	Approved final	1999	http://www.legislation.act.gov.au/di/1999-163/default.asp
Jerrabomberra Wetlands Nature Reserve Plan of Management 2010	Approved final	2010	http://www.legislation.act.gov.au/di/2010-280/default.asp
Murrumbidgee River Corridor Plan of Management 1998	Approved final	1997	http://www.legislation.act.gov.au/di/1997-268/default.asp
Lower Cotter Catchment Reserve Management Plan (Under preparation)	First draft stage		
Lower Molonglo River Corridor Plan of Management 2001 (New draft plan in preparation)	Approved final	2001	http://www.legislation.act.gov.au/di/2001-298/default.asp

⁶ Section 3 - Responsibilities of Reporting Entities of the Annual Report Directions 2015 and 2016, states that Director-Generals must report for the entire reporting period on all administrative units under their control at the end of the reporting period.

URBAN LAND MANAGEMENT

In 2015-16, TAMS was responsible for approximately 6,150 hectares of urban land. Activities to manage this land included regular mowing of approximately 4,520 hectares of public land. Approximately 9,200 kilograms of litter was removed from lakes and ponds to improve the health of Canberra's waterways, dumped shopping trolleys were removed in accordance with a regular compliance program and 100 percent of sharps were removed within four hours of notification.

Recreational assets were maintained in urban parkland including 499 playgrounds, 21 skate parks, 41 basketball courts and 158 pieces of fitness equipment. More than 25,000 individual safety assessments were complete on playgrounds and other recreation equipment to help ensure that the play spaces and equipment are safe for play.

A large and diverse urban forest was managed by TAMS, comprising of approximately 760,000 trees across 300 species. Maintenance work included watering 20,000 young trees using water from urban lakes and ponds, general and formative pruning and tree replacement. Operational programs were further integrated through mobile technologies, which facilitated significant efficiencies and improved management outcomes.

In 2015-16 a new initiative dedicated to pruning back foliage from trees near street lights and signs on public land commenced. A program where foliage interfering with signs in town centres and along major and arterial roads were pruned, improving the safety of motorists and pedestrians was also completed.

Design standards for urban infrastructure for public toilets, urban open space, street and park furniture and barbecues and soft landscape design were reviewed and will be in operation in early 2017. Additionally, development of strategic documents for tree protection and management is ongoing and will be progressed through 2016-17.

New barriers and bollards have been installed to control vehicular movements into open spaces and urban parks. New litter bins and seats have been installed in Weston Park. New seats were also installed in the City, suburban parks and dog parks. Additional place names and interpretive signage was installed at Lake Ginninderra, Navigator Park, Weston Park and Blaxland Park.

Upgrades to high-use public toilets at Lake Ginninderra and Chifley shops were completed. The upgraded toilets provide modern, cleaner interiors and improved safety and access for people of all levels of mobility.

DESIGN AND DEVELOPMENT

Works at Black Mountain Peninsula District Park included construction of a new pump house, pump and upgraded and expanded system.

New water bottle filling stations and drinking bubblers were installed at Gungahlin Town Park, Margaret Timpson Park, Civic Square and Manuka Oval. Suburban shopping centres Cook, Kambah and Hughes also had new water stations with dog bowls installed.

The play area at Point Hut District Park was replaced, including removal of the double flying fox, providing new equipment and a range of activities for children of all ages.

The mountain bike trails at Isaacs Ridge Pines were upgraded to make them sustainable and safe for all users of the area. The work included construction of two downhill mountain bike trails, linking trails for other users and informal rest areas and signage.

Minor upgrades to 52 playgrounds across Canberra included replacing or repairing sections of equipment including hand rails, scramble nets, fencing and other minor amendments. The minor works improved safety for children and ensured opportunities for outdoor activity.

Priorities for 2016-17 include:

- > continue to work on the Basin Priority Project to design and deliver water-sensitive infrastructure;
- > trial new solar compacting rubbish bins;
- > continue to work with waste bin providers and charitable collection organisations on strategies to reduce illegal dumping;
- > continue to work with retailers on retaining shopping trolleys in their precincts;
- > comprehensive upgrade of four whole playgrounds in line with the playground strategy including the construction of three new natural play space areas; and
- > preserve the extent, character and sustainability of Canberra's urban forest.

PARKS AND CONSERVATION

The Parks and Conservation Service (PCS) was responsible for the management of 163,030 hectares of the Territory's public land system including the Namadgi National Park, nature reserves, the Lower Cotter Catchment, Googong Foreshores, pine plantations and other rural lands.

During 2015-16 PCS progressed the *Lower Cotter Catchment Reserve Management Plan* to a first draft stage. The draft plan was provided to key stakeholders for engagement in June 2016. After this period the plan will be subject to a public consultation period.

The fire management trail network was reviewed with repairs and maintenance to priority sediment control structures in the Lower Cotter Catchment undertaken in liaison with Icon Water, Emergency Services Agency and EPD. Please refer to the Justice and Community Safety Directorate's Annual Report, for more detailed information.

Environmental control programs for invasive weeds and pest animals were conducted in 2015-16. Weed control was undertaken in 15,543 hectares across 3,141 sites for 65 weed species and \$270,000 was spent on controlling pest animals including rabbits, wild dogs, foxes, pigs and deer.

TAMS managed endangered species and bred a record 22 brush-tailed rock-wallabies and supported 45 adult brush-tailed rock-wallabies at Tidbinbilla. Other programs also increased the population of eastern bettongs at Tidbinbilla from 65 to nearly 80 and had continued success with the northern corroboree frog breeding program, with over 1,000 eggs produced this season. 514 frogs were released back into the sphagnum bogs in northern Namadgi.

Throughout the year, land management activities have been undertaken at the new Gungaharra Grasslands and Mulanggari Nature Reserve environmental offset areas. These activities include monitoring the striped legless lizard population, boundary fencing, weed control and pedestrian style installation for visitors to the reserves.

Monitoring of the pink tailed worm lizard has continued throughout the Molonglo River Reserve with 30 low impact monitoring sites established. Population monitoring of the habitat restoration and extension areas was also undertaken during 2015-16. Results will be collated and evaluated after four years of data and land management practices will be reviewed at this time.

The development of a Biosecurity Strategy for the ACT was progressed which sets out strategic directions for a strong and integrated biosecurity system for the ACT. A registration system for beekeepers to record the location of their hives in the ACT was introduced in order to allow for a coordinated response in the case of an outbreak of a bee disease.

Two biosecurity responses were launched for new and emerging weeds (fireweed and Mexican feather grass). Pre-emptive work was done to ensure that mouse-ear hawkweed and coolatai grass do not enter the ACT and provided an emergency response to a suspected red fire ant incursion.

Upgrades to the fencing and other infrastructure at Government horse paddocks and agistment land was completed and water facilities were improved at the Athllon Drive Veterinary Laboratory.

Reforms to Government oversight of land management agreements over rural leases were introduced along with a modern map based template for documenting the agreements.

Priorities for 2016-17 include:

- > delivery of a yearly Bushfire Operations Plan outlining the range of fuel reduction activities to assist in protecting the Territory from the threat of bushfire;
- > continued rollout of works at the Lower Cotter Catchment to protect the water quality of the enlarged Cotter Dam;
- > commence meetings of the Aboriginal Elders Parks Advisory Group to better inform the Service of cultural issues involved in the management of protected areas;
- > protect biodiversity, landscapes and water catchments from the impacts of invasive species (weeds and pests);
- > continue to undertake environmental offset work, pursuant to the Territory's responsibilities under the *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth), specifically Stage 2 of the Gungahlin Strategic Assessment (GSA);
- > continue to manage native wildlife in the ACT that has the potential to become overabundant and cause unacceptable impacts to the Territory's nature reserves and agricultural lands; and
- > progress to Stage 3 of the Molonglo River Reserve Establishment.

YARRALUMLA NURSERY

Yarralumla Nursery (the Nursery) is the largest wholesale nursery in the southern tablelands, with over 400 different variations of plants and trees.

As an ACT Government owned commercial wholesale plant nursery, plants are sold to landscape, wholesale and retail industries, Landcare groups, and government agencies. The Nursery also provides horticultural advice for flora biosecurity events. In 2015-16 the Nursery continued to work towards becoming a sustainable and financially viable business and developed markets with new and existing customers by providing cost effective plants and the sourcing of unusual plants.

The Nursery focussed on the propagation and growing of cool climate plants, with over 200,000 individual plants grown from its own plant stock and seed bank including local, rare and endangered species. It also continued to manage the Plant Issue Scheme, which provided 8,095 plants to eligible homeowners.

In 2015-16, the Nursery provided stock to other ACT Government activities and services, including trees to the National Arboretum; over 1,000,000 bulbs and annuals to Floriade; and general plants for Sport and Recreation Services in CMTEED.

During the year, the Nursery upgraded its facilities which included refurbishing the aging timber floor and fitting to improve the staff amenity within the administration office.

Priorities for 2016-17 include:

- > increasing sales to new and established customers;
- > increasing the variety of plants for sale and propagation rates;
- > continuing the refurbishment works to the buildings and grounds; and
- > continued protection and maintenance of the heritage listed assets at the Nursery.



OUTPUT 1.5: REGULATORY SERVICES

Administration of regulatory activities to protect and enhance the natural and built environment. Provision of advice, education and compliance services to Government and the community in relation to municipal ranger functions, domestic animal management, plant and animal licensing and significant tree protection.

LICENSING AND COMPLIANCE

Licensing and Compliance administers the *Animal Welfare Act 1992* (AWA Act) and *Domestic Animals Act 2000* (DAA Act) and provided domestic animal services including the domestic animal shelter at Mugga Lane, animal welfare inspectorate services through the Royal Society for the Prevention of Animal Cruelty (RSPCA ACT), ranger services, use of public land approvals and administration of licensing under the *Nature Conservation Act 2015* and the *Fisheries Act 2000*.

In 2015-16, Licensing and Compliance provided domestic animal services responding to a range of matters including dog registrations, investigating dog attacks and animal nuisance complaints. During the year the Domestic Animal Services (DAS):

- > registered 4,869 dogs, an increase of 8.7 percent from 2014-15;
- > investigated 360 attacks and seized 124 dogs;
- > investigated 259 animal nuisance complaints;
- > issued 6 dangerous dog licences and 38 breeding licences;
- > re-homed 402 dogs, a consistently high re-homing rate of dogs deemed suitable for re-homing; and
- > developed formal Codes of Practice in consultation with the Animal Welfare Advisory Committee (AWAC) and other key stakeholders.

DAS is currently reviewing and improving its processes and procedures with a view to better deliver services to the community. This has included development of an incident management system and the use of new digital technologies to investigate animal nuisance complaints. DAS Rangers continue to work closely with many volunteers who assist with dog walking, puppy socialisation programs and dog behavioural assessments.

During the year Licensing and Compliance has also:

- > continued to focus on the management of domestic animals in the ACT, including the keeping of native animals and pets, and associated animal welfare issues through legislative reviews. A number of amendments to the AWA Act were passed through the *Animal Welfare Amendment Act 2016*, including the insertion of a provision that a person in charge of an animal has a duty to care for the animal; and
- > utilised the new incident management system to help in the management and regulation of domestic animals in accordance with the DAA Act.

Licensing and Compliance provided city ranger services responding to 1,692 routine work requests including line of sight, overhanging foliage, nature strip encroachments, incidents affecting public safety, illegal camping and unapproved use of unleased land. During the year City Rangers:

- > investigated 2,221 reports of abandoned motor vehicle and impounded 492 of them;
- > investigated 61 reports of non-compliant movable signage and impounded 115 signs;
- > conducted 448 investigations into abandoned shopping trolleys, undertook three shopping trolley collection days and impounded 177 trolleys; and
- > removed 260 sharps from public land with a 100 percent rate of collection within four hours of notification.

Through collaborative initiatives with various industries bodies, Licensing and Compliance continues to identify smarter ways to achieve compliance ensuring the continued amenity of Canberra.

The Public Land Use team has continued its commitment in relation to streamlining the public land use approval process through:

- > collaborative involvement with Access Canberra to review and refine the application and approval process associated with events;
- > developing a permit booking system associated with holding events on public land; and
- > reviewing and developing of standard operating procedures associated with land use requests.

During the year the Public Land Use team:

- > issued 1,720 permits for permits for temporary use of public unleased land; and
- > issued 246 approvals for nature strip development.

DEVELOPMENT APPLICATION PROCESSING

TAMS processed Development Applications (DA) referred by EPD and other submissions as listed in Table 1.

During 2015-16, TAMS received 4,911 land development submissions, as per Table 1 below. The total number of submissions processed in the reporting period was 4,692 and of these, 4,539 (97 percent) were processed within the target timeframes. DAs and Building Applications (BA) have a statutory turnaround time of 15 days and the post DA submissions have a 20 day turnaround time agreed with industry.

TABLE 1: LAND DEVELOPMENT SUBMISSIONS

Submission types	2014-15	2015-16	% + / -
Submissions			
Estate development plans and planning submissions	355	424	19.4
Design acceptance	860	721	-16.2
Operational acceptance	507	556	9.7
Final acceptance	258	245	-5.0
Sub-total	1,980	1,946	-1.7
Applications			
Development applications	1,726	1,681	-2.6
Building applications	1,258	1,284	2.1
Sub-total	2,984	2,965	-0.6
Total	4,964	4,911	-1.1



Residential dwellings and site areas of commercial and industrial developments processed and released during 2014-15 and 2015-16 are detailed in Table 2. The residential dwelling and industrial sites remained almost the same as the previous year. However, there was a drop in commercial, community and non-urban sites.

TABLE 2: LAND RELEASE

Asset type	2014-15*	2015-16*
Residential dwellings (no.)	3,669	3,513
Commercial site area (m ²)	98,321	57,194
Industrial site area (m ²)	66,178	64,485
Community and non-urban (m ²)	101,063	57,154

* Actual outcome figures provided by CMTEDD

An online works as executed (WAE) summary portal was established in 2015-16, with additional work undertaken to further improve accuracy, consistency and user friendliness for submissions of WAE summary drawings. Further testing and refinements to the system will occur prior to full implementation of the service.

To improve service delivery to third parties, project and development information, policies, standards, codes and guidelines were made available online.

Guidelines for assessment of traffic impacts for development proposals were also completed and will continue to be implemented in 2016-17.

Work continued with stakeholders to improve inspection and approval processes including working with the CMA on the approvals required for light rail.

The ProjectWise data library went live to industry in February 2016 enabling self-service of data requests. This significantly reduced the number of requests received and subsequent time taken to provide this information. Once full operational capacity of ProjectWise is reached, additional processes will be streamlined to realise further efficiencies.

Priorities for 2016-17 include:

- > continue the review of licensing and compliance processes and systems to deliver a more efficient, consistent and transparent service;
- > develop a long term proposition for the delivery of domestic animal management in the ACT;
- > implementation of active travel policies;
- > improved customer service;
- > encourage further innovation from industry and developers; and
- > develop a streetscape guideline for new developments to support active living and sustainability.

OUTPUT 1.6: CAPITAL LINEN SERVICE

Provision of a linen service to a range of customers including public and private hospitals, health and aged care providers, hotels, restaurants, major tourist attractions, educational institutions and emergency services.

In 2015-16 over 6,300 tonnes of linen were laundered and delivered, an increase of approximately 10 percent from 2014-15. New hotel contracts have been secured over the past 18 months which has increased linen delivered to accommodation customers by approximately 28 percent.

Capital Linen Services continued its high quality delivery standards including on-time delivery of over 99 percent of all items ordered by one of its largest customers, the Canberra Hospital.

A replacement ordering and billing system was commissioned in July 2015 to assist in reducing administrative tasks whilst strengthening reporting capability to our customers and management team.

The introduction of a rostering and costing tool was instrumental in driving change in labour management

practices. The change resulted in a reduction of labour costs and an improvement in productivity. This was achieved through the monitoring and reporting of key labour and output metrics reported to a variety of key stakeholders.

A trial of logging and displaying operator linen output in real time was undertaken. The display of this data to operators enabled them to self-manage linen produced against hourly targets and provided an improvement in productivity. Other machines will have this technology installed during 2016-17.

Priorities for 2016-17 include:

- > further develop the Capital Linen Services sales and customer service strategy with a view to improve sustainability and customer satisfaction; and
- > capitalise on the progression of Information and Communications Technology (ICT) capability through the development an ICT strategy. The strategy will focus on integrating plant and equipment and ICT systems, in addition to streamlining the capture and use of data across the laundry.





A young boy with blonde hair, wearing a grey long-sleeved shirt and blue jeans, is climbing a red rope net on a playground structure. He is smiling and looking down. The background shows a park with trees and a house.

GOVERNANCE AND ACCOUNTABILITY

- > OVERVIEW
- > B3 SCRUTINY
- > B4 RISK MANAGEMENT
- > B5 INTERNAL AUDIT
- > B6 FRAUD PREVENTION
- > B7 WORK HEALTH AND SAFETY
- > B8 HUMAN RESOURCE MANAGEMENT
- > B9 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

OVERVIEW

TAMS' sound governance practices reflect a mature robust framework for making and implementing decisions. TAMS had a strong focus on evaluation and continuous improvement which reflected the changing environment in which the Directorate operated and reflected the principles expressed in whole of Government policies and frameworks. TAMS worked towards the ongoing accountability, appropriateness, currency, and relevance of the Directorates internal governance processes and practices to ensure they met TAMS needs. Further information with regard to our governance framework can be found throughout this section.

B3 SCRUTINY

The following is a report on progress against undertakings made as a result of reports produced by the Auditor-General, Ombudsman and Legislative Assembly Committees.

AUDITOR-GENERAL REPORTS

The following table lists the audits carried out by the Auditor-General's office, their recommendations relating to TAMS and the response to those recommendations.

TABLE 3: PERFORMANCE AUDIT REPORT ON RESTORATION OF THE LOWER COTTER CATCHMENT (MAY 2015)

Title	Restoration of the Lower Cotter Catchment – ACT Auditor-General – No.3/2015 Performance Audit Report on Restoration of the Lower Cotter Catchment (May 2015)
Recommendation	Action and status
<p>Recommendation 1</p> <p>Developing a Code of Catchment Management</p> <p>A Code of Potable Water Catchment Management, to direct land management activities in the Lower Cotter Catchment (LCC), should be developed, in consultation with: Territory and Municipal Services, Icon Water, the Environment and Planning Directorate and the Environment Protection Authority, by December 2016.</p> <p>A lead agency has not been nominated as it may be affected by a decision in relation to Recommendation 5.</p> <p>(The Code of Potable Water Catchment Management could be based on a review of the ACT Code of Forest Practice 2005 and be used as a standard and a condition contained in environmental authorisations for the LCC. It should be consistent with the Australian Drinking Water Guidelines and consistent with provisions of the TAMS and ActewAGL, Code of Practice: Practical guidelines and standards for co-operation for maintenance works.)</p>	<p>Agreed</p> <p>TAMS will work with other relevant Directorates to develop a Code of Practice for Potable Water Catchment Management.</p> <p>It is important that management activities including minor and major construction works follow best practice principles to ensure the protection of water quality values. A Code of Practice will outline best practice not only for construction works, but also other management activities undertaken in the catchment such as pest plant and animal control, visitor access controls, and bushfire fuel hazard reduction works. Importantly the Code will be a guide for all ACT Government agencies and their contractors operating in the LCC.</p> <p>As a first step, TAMS will review other potable water catchment codes already in existence and consider the ACT Code of Forest Practice, and the Australian Drinking Water Guidelines.</p>

Title	Restoration of the Lower Cotter Catchment – ACT Auditor-General – No.3/2015 Performance Audit Report on Restoration of the Lower Cotter Catchment (May 2015)
Recommendation	Action and status
<p>Recommendation 3</p> <p>Implement the TAMS and ICON Water Code of Practice</p> <p>The ACT Code of Practice which guides maintenance works on Controlled Land should be implemented by the Territory and Municipal Services Directorate and Icon Water, giving particular attention to the information-sharing and approval processes for annual operations plans and works plans.</p> <p>(If the Conservator of Flora and Fauna specifically excludes the LCC from the Management Agreement (Recommendation 2) then Icon Water and Territory and Municipal Services Directorate should develop a Memorandum of Understanding to integrate their activities using the ACT Code of Practice.)</p>	<p>Agreed</p> <p>TAMS and Icon Water developed a document with agreed standards and processes for works to be undertaken on Controlled Land called <i>Code of Practice: Practical guidelines and standards for co-operation for maintenance works</i>. The intent of the document was to give clarity to both organisations that works undertaken by one agency would not be inconsistent with the priorities and outcomes of the other.</p> <p>TAMS and Icon Water will work together to ensure staff are aware of the provisions of the Code and both agencies are informed, in a timely way, on intentions to carry out works.</p>
<p>Recommendation 4</p> <p>Review and Finalise the Parks and Conservation Service Code of Sustainable Land Management</p> <p>The status of the draft Parks and Conservation Service, Code of Sustainable Land Management should be reviewed and either finalised or rescinded by the Territory and Municipal Services Directorate. If finalised, this should occur by October 2016.</p>	<p>Agreed</p> <p>TAMS will review the need for this Code of Practice in light of the consideration of the development of other codes (see Recommendation 1 and 3) and existing management guidelines and Standard Operating Procedures.</p>
<p>Recommendation 5</p> <p>Review the Management and Coordination Arrangements for the Lower Cotter Catchment</p> <p>New catchment management coordination and decision-making arrangements specifically for the LCC should be developed by the ACT Government and involve consultation with Icon Water, Territory and Municipal Services, Environment Protection Authority, Environment and Planning Directorate and Emergency Services Agency.</p> <p>(The aim is to develop effective, streamlined coordination and decision-making arrangements at the high level, and to integrate these arrangements into the operational level. An important consideration is that the decision-makers must also have the authority to assign and commit the necessary resources to implement their decisions.)</p>	<p>Agreed</p> <p>At its May 2015 meeting the Directors-General Water Group resolved that Territory and Municipal Services (TAMS) would establish an inter-directorate working group with representation drawn from TAMS, Environment and Planning Directorate (EPD), the Emergency Services Agency (ESA) in the Justice and Community Safety Directorate, and Icon Water to oversight a Whole of Government response to the recommendations of the audit report, and provide the following to the Directors-General Water Group:</p> <ul style="list-style-type: none"> > terms of reference for the operation of the inter-directorate working group; > an implementation plan, referenced against the relevant audit report recommendations; > reporting protocol back to the DGs Water Group; and > progress reports against implementation plan milestones.
<p>Recommendation 7</p> <p>Development of a Lower Cotter Catchment Risk Plan</p> <p>A cross-agency risk management process and plan for the management of the LCC in reference to the land managed as a drinking water catchment should be developed by the Territory and Municipal Services Directorate, in consultation with key stakeholders, in particular Icon Water, Emergency Services Agency and the Environment and Planning Directorate, by June 2016.</p> <p>(Territory and Municipal Services should therefore take carriage of the risk process and plan which should be reviewed every three years or sooner if the risk profile merits review.)</p>	<p>Agreed</p> <p>Work on developing a Risk Plan has commenced and will be progressed by the LCC inter-directorate working group. The Risk Plan will, inter alia:</p> <ul style="list-style-type: none"> a) consider existing risk assessments articulated in the Territory Wide Risk Assessment 2014 (TWRA) and the Strategic Bushfire Management Plan 2014; b) comply with the existing standard (AS/NZS ISO31000:2009) and should consider the application of the methodology in the National Emergency Risk assessment Guidelines (NERAG), Australian Government 2010; c) inform future review of the TWRA; and d) form an annexure to the LCC Plan of Management when completed.

Title	Restoration of the Lower Cotter Catchment – ACT Auditor-General – No.3/2015 Performance Audit Report on Restoration of the Lower Cotter Catchment (May 2015)
Recommendation	Action and status
<p>Recommendation 8</p> <p>Finalise the Plan of Management for the Lower Cotter Catchment</p> <p>The Plan of Management for the LCC should be finalised, by the Territory and Municipal Services Directorate, by July 2017.</p> <p>(Community consultation for the Plan of Management should be based on the knowledge that the key management objectives for the LCC have been decided and are contained in the <i>Planning and Development Act 2007</i> and the Territory Plan 2008.)</p>	<p>Agreed</p> <p>EPD are currently working closely with TAMS to finalise a Plan of Management for the LCC.</p> <p>The Plan of Management will include, as recommended in the audit report:</p> <ul style="list-style-type: none"> a) elements of a Catchment Management Plan as articulated in the Australian Drinking Water Guidelines; b) a clear statement of responsibilities of different agencies and agreed coordination processes; and c) definition of appropriate low impact recreational activities based upon a risk assessment. <p>The management plan will also address risks identified in the audit report such as large volumes of unmanaged sediment from unstable soils, wild-fire and inadequate controls on public access. An access risk management plan and a program of community awareness will be developed to guide the community on permitted and prohibited activities in the LCC.</p>
<p>Recommendation 9</p> <p>Regrowth Pine Forest In and Adjacent to the Lower Cotter Catchment</p> <p>An action plan for the removal of the regrowth and unmanaged remnant pine forests in, an adjacent to, the LCC should be developed and implemented by the Territory and Municipal Services Directorate. In the development of the plan and in implementing it consultation should occur with the Emergency Services Agency, the Environment and Planning Directorate, and Icon Water.</p>	<p>Agreed</p> <p>Work on and action plan has been commissioned and is nearing completion. The objectives and strategies for the management of regrowth pine forest in and adjacent to the LCC will be identified in the Plan of Management for the LCC.</p> <p>Implementation of the action plan will be in co-operation with the Emergency Services Agency and be through the existing framework for bushfire planning and implementation in the ACT. This consists of the 5 Year Regional Fire Management Plans and Annual Bushfire Operational Plans (both of which fall under the Strategic Bushfire Management Plan).</p>
<p>Recommendation 10</p> <p>Review of Lower Cotter Catchment Road and Fire Trail Network</p> <p>The road and fire trail network in the Lower Cotter Catchment should be reviewed and a road network improvement plan should be developed by Territory and Municipal Services in consultation with Emergency Services Agency, Icon Water and the Environment and Planning Directorate. The review should be completed by July 2016.</p> <p>(The review should define the minimum road and fire trail network that balances the goal of access for fire fighting with the goal of minimising roads and fire trails so as to minimise erosion and sediment movement into the reservoir; and examine gates and other control structures that effectively restrict or control public access but allow access for fire fighting and service needs.)</p>	<p>Agreed</p> <p>The LCC inter directorate working group will prioritise a review of the road and fire trail network in the LCC noting that the underlying objective is to provide appropriate management access noting the need for rapid response capabilities to fires that may occur in the area. The review will take a risk based approach, and may identify the need for some trails to be shut down and others to be opened. In all instances, the need to mitigate against erosion will be a key consideration.</p> <p>The objectives and strategies for the road network implementation plan should be identified in the Plan of Management for the LCC</p>

Title	Restoration of the Lower Cotter Catchment – ACT Auditor-General – No.3/2015 Performance Audit Report on Restoration of the Lower Cotter Catchment (May 2015)
Recommendation	Action and status
Recommendation 11 Remediation of Sediment Control Structures in the Lower Cotter Catchment The effectiveness of sediment control structures in the Lower Cotter Catchment should be assessed to identify damaged and poorly functioning structures and pondage, and an action plan developed for implementing repairs by Territory and Municipal Services in collaboration with Icon Water.	Agreed TAMS will work closely with Icon Water to determine a priority listing of erosion and sediment control structures for assessment and repair. TAMS has set aside \$0.3M for this purpose in 2015-16. A list of proposed works will be tabled for the consideration of the LCC inter-directorate working group and for the ultimate approval of the Director(s)-General Water Group.

LEGISLATIVE ASSEMBLY COMMITTEES

The following tables list the report of the Legislative Assembly Committees, their recommendations and TAMS' response to those recommendations.

**TABLE 4: STANDING COMMITTEE ON PLANNING, ENVIRONMENT AND TERRITORY AND MUNICIPAL SERVICES –
REPORT ON ANNUAL AND FINANCIAL REPORTS 2014-15**

Title	Standing Committee on Planning, Environment and Territory and Municipal Services – report on Annual and Financial reports 2014-15
Recommendation	Action and status
Recommendation Five The Committee recommends that in future annual reports Libraries ACT include reporting on the number of digital visitors to libraries in the financial year.	Agreed A Government response on the Committee's Report on Annual and Financial Reports (Planning, Environment and Territory and Municipal Services) 2014-15 is yet to be finalised and will be reported in the 2016-17 Annual Report.

**TABLE 5: STANDING COMMITTEE ON PLANNING, ENVIRONMENT AND TERRITORY AND MUNICIPAL SERVICES –
REPORT ON ANNUAL AND FINANCIAL REPORTS 2013-14**

Title	Standing Committee on Planning, Environment and Territory and Municipal Services – report on Annual and Financial reports 2013-14 Presented 19 March 2015
Recommendation	Action and status
Recommendation Three The Committee recommended that when work is planned on ACT landfills that may result in increased odour the ACT Government alert nearby residents prior to the commencement of work.	Agreed The direction and distance over which odour could travel is primarily dictated by the weather, and therefore, "nearby residents" is not an easily determinable or accurately targetable demographic. ACT NOWaste will implement a comprehensive communications plan including publishing on the TAMS website, and issuing press releases communicating the reasons for, and timing of, proposed work.

Title	Standing Committee on Planning, Environment and Territory and Municipal Services – report on Annual and Financial reports 2013-14 Presented 19 March 2015
Recommendation	Action and status
Recommendation Five <p>The Committee recommends that the Minister for Territory and Municipal Services update the Committee during its 2014-15 annual report hearings on efforts to facilitate community involvement in the maintenance and enhancement of playgrounds.</p>	Agreed <p>The TAMS website provides information on playground upgrades, which is updated as required to provide details of current works. Community consultation is routinely undertaken when a full playground is planned. Community feedback guides the design of each play space and may be sought on a range of issues such as type of equipment, art work, design theme, etc.</p> <p>Rotary, community volunteer and 'friends' groups are involved in park improvements across Canberra, including input into playground maintenance and renewal works.</p>
Recommendation Six <p>The Committee recommended that TAMS review the policy around abandoned shopping trolleys, including the level of fines to owners, to encourage owners to take further steps to prevent theft.</p>	Agreed <p>The policy around shopping trolleys will be reviewed internally in 2015 with a view to improving the process around the management of shopping trolleys and making clearer the responsibilities of owners.</p>
Recommendation Seven <p>The Committee recommends that TAMS review its Bushfire Operational Plan performance indicator and the way it is presented to ensure that it provides an accurate impression of the work done by the Directorate.</p>	Agreed <p>This was a direct recommendation from the Auditor General's report handed down in 2014. Work has been undertaken in conjunction with the ESA and the outcome is that 5 Performance Indicators have been approved and are in place for this financial year. Performance against this recommendation is included in an ESA lead summary which is reported back to the Auditor General at regular intervals.</p>
Recommendation Eight <p>The Committee recommended that TAMS amends its policy to ensure that victims of attacks by dangerous domestic animals are promptly informed in writing of process in deciding the fate of the animal and any conditions imposed on the release of the animal.</p>	Agreed <p>Work has begun on ensuring that victims of attacks are made aware of the processes followed after an attack, including the conditions associated with the release of any animal involved in an attack, and informed of their review rights in respect of any decisions made under legislation.</p> <p>A review of the standard operating procedures at Domestic Animal Services will be finalised by 2015 and these requirements will be included in standard operating procedures relevant to attacks.</p>
Recommendation Nine <p>The Committee recommends that Libraries ACT update the Committee during public hearings into annual reports 2014-15 on progress on formulating a digitisation policy for the heritage Library.</p>	Agreed in principle <p>The ACT Heritage Library is participating in an evaluation of the Rosetta Digital Preservation system in partnership with the State Libraries of Queensland, South Australia and Tasmania and the Northern Territory Library with a view to a national digital preservation scheme. Preliminary findings will be available in November 2015.</p>
Recommendation Eleven <p>The Committee recommends that Roads ACT report to the Committee during its 2014-15 annual report hearings on the actual number of vehicle movements on Allara Street during morning peak hour following the conclusion of road works and the impact of the roads works on residents and drives.</p>	Agreed in principle <p>Roads ACT have committed to monitoring the traffic using the Parkes Way/Allara Street connection for the first 3–6 months following the completion of road works. These observations will be compared with the predicted usage and anticipated impact on the local residents.</p> <p>Roads ACT will brief the Government on the findings following the observation period. Given the timing of the completion of this connection, data collection and analysis of the observations may prevent a report being provided for the 2014-15 annual report hearings.</p>

For more information: T (02) 6205 8479, Governance and Business Solutions

B4 RISK MANAGEMENT

TAMS identified and managed risk at all levels of the organisation through the application of the TAMS Risk Management Framework (the Framework). The Framework was based on the Australia/New Zealand Standards 31000:2009 Risk Management and supported by the ACT Government Risk Matrix. The Framework was managed by the Risk Management Committee (RMC) with oversight of its effectiveness measured by the TAMS Internal Audit Committee. TAMS also managed risk through:

- > strategic, divisional, and business unit risk registers and treatment plans;
- > project plans; and
- > business continuity plans.

The RMC consisted of the ELT and individuals with expertise in risk management. The RMC was also supported by Risk Managers from the ACT Insurance Authority (ACTIA). Under the *ACT Insurance Authority Act 2005*, ACTIA is responsible for assisting Directorates to implement risk management policies and procedures. The RMC met quarterly to identify and assess risk and updates the Directorate's risk plan.

The Framework used a bottom up approach in the identification and treatment of risks, beginning at the business unit level. Identified risks which are common across a division or inadequately treated were escalated to inform divisional risk plans. Regular progress reports provided to the ELT via the RMC and the Internal Audit Committee. Existing risks were monitored and reported on utilising risk treatment action plans while emerging risks were identified, reported and reviewed to determine if they should be included in the Directorate level risk register.

The ELT and senior managers from each division participated in risk management workshops to inform the development of the TAMS strategic risk register and individual operational risk registers, that were used to capture the risk profile of the Directorate. These workshops were facilitated under the guidance of ACTIA by an industry expert.

Risk management training across TAMS assisted with ensuring that there was a consistent, appropriate application of the Framework, and assisted in increasing the risk management maturity across TAMS. Training was accessed by staff through the ACT Government training calendar, TAMS Project Management Community of Practice and by ACTIA.

TAMS worked closely with ACTIA to ensure the Framework and supporting policies met all relevant guidelines. Corporate membership of the Risk Management Institute of Australia ensured TAMS stayed up-to-date with risk management practices

across a range of industries and provided staff with access to risk management training and professional development opportunities.

For more information:

T (02) 6205 8479, Governance and Business Solutions

B5 INTERNAL AUDIT

The internal audit function within TAMS was overseen by the Chief Audit Executive (CAE) and administered by a designated TAMS Audit Manager. The Internal Audit Committee (IAC) was an integral part of the internal audit function and reported to the Director-General on the governance, risk and internal control environment.

The IAC oversaw the development and implementation of the 18 month strategic internal audit plan and the 2015-16 audit work plan. Both plans used a risk-based methodology to identify and prioritise areas of strategic and operational risk.

TAMS internal audit activities were conducted through the ACT Government's whole of Government internal audit services panel which included performance, compliance and information technology (IT) categories. Nine audits were presented during 2015-16 for IAC consideration. This included one IT audit, five performance audits, two compliance audits and one audit by the ACT Auditor-General.

During 2015-16, the IAC had five members: an independent external chair; an internal executive staff member; and three independent members external to ACT Government. The IAC met four times during the year to discuss performance/compliance audits and once to discuss financial statements. They also reviewed and approved the TAMS Audit Committee Charter and Internal Audit Charter, and endorsed an internal audit quality assurance framework for implementation by the CAE.

TABLE 6: AUDIT COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE 2015-16

Name of Member	Position	Meetings attended
Will Laurie	Independent External Chair	5
Cathi Moore	Independent External Member	3
Glenys Roper	Independent External Member	5
Ken Moore	Independent External Member	5
Vanessa Little	Internal Executive Staff Member	4

For more information:

T (02) 6205 8479, Governance and Business Solutions

B6 FRAUD PREVENTION

The Directorate's fraud control arrangements were managed by the Senior Executive Responsible for Business Integrity Risk (SERBIR) and supported by an advisory panel consisting of the Agency Security Advisor, Human Resources Director, and Principal Legal Officer. The advisory panel met regularly and examined mechanisms for prevention, detection and reporting. Suspected fraud and corruption cases were monitored and actioned by the advisory panel.

The TAMS Fraud and Corruption Prevention Plan 2016-2018 provides a framework to prevent incidents of fraud and corruption across the Directorate. It described how TAMS deterred and detected fraud and corruption and met the Directorates obligations under the ACTPS Integrity Policy.

One prevention measure on fraudulent behaviour was through raising the general awareness of staff by participation in induction program and targeted training for areas identified as high risk. Further information on ethical and proper conduct was promoted through the TAMS intranet.

During the year, 11 employees participated in the Fraud and Ethics Awareness Program. A further 132 employees received fraud and ethics awareness as part of their induction training.

A comprehensive internal audit program was conducted annually to address issues of high and medium integrity and fraud risk through risk assessment processes. The IAC oversaw these processes and monitored the management and integrity of fraud risk strategies.

Risk assessments were undertaken based on formal and informal information sources. These include reviews of the risks identified in the TAMS Fraud and Corruption Prevention Plan, feedback from business areas and oversight of actual cases of fraud and corruption across TAMS. Both the Audit and Risk Management Committees monitored business integrity risk.

As a result of proactive reporting and review mechanisms within the Directorate, seven instances of suspected fraudulent behaviour were reported during the financial year.

TABLE 7 : INCIDENTS OF REPORTED FRAUD IN 2015-16

No.	Allegation	Outcome
1	Theft of third party property by employees and a contractor	Preliminary review conducted. Insufficient evidence to proceed to formal investigation.
2	Theft of government property by an employee	Preliminary review conducted. Employee resigned.
3	Unauthorised absence during work hours	Preliminary review conducted. Insufficient evidence to proceed to formal investigation.
4	Submit false claim forms	Preliminary review conducted. Referred to CMTEDD due to machinery of government changes.
5	Unauthorised use of government property by an employee; making a false statement	Formal investigation conducted. One employee sanctioned.
6	Forgery of staff signatures by a contractor	Referred to CMTEDD for review.
7	Unauthorised access of information	Under review.

For more information:

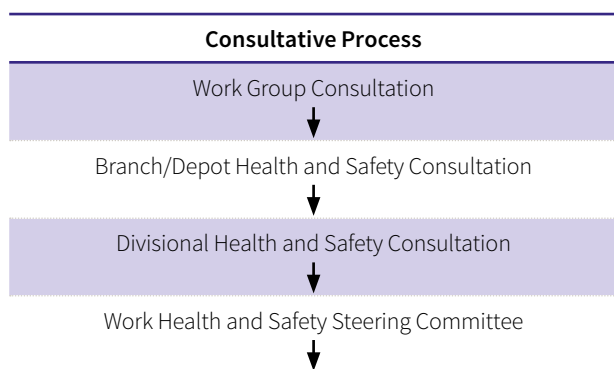
T (02) 6205 8479, Governance and Business Solutions

B7 WORK HEALTH AND SAFETY

With a diverse range of working environments across the ACT, TAMS strived for a culture that supported safety and wellbeing. Our focus was on strengthening the capacity of our leaders and our commitment to the principles and processes expressed in whole of Government and Directorate work health and safety (WHS) policies and frameworks.

WHS issues were monitored and managed through branch and divisional consultation structures and the Directorates network of 65 Health and Safety Representatives (HSRs).

The diagram below outlines the TAMS WHS consultative structure.



The Work Health and Safety Steering Committee (WHSSC) met quarterly and reports to the ELT. The WHSSC comprised Executive Directors, HSRs and health and safety advisors embedded across the organisation.

Key activities undertaken:

- > review of divisional reports on WHS activities and initiatives, incidents and updates to the Emergency Control Organisations;
- > oversight of TAMS Emergency Planning Committees;
- > implementation of whole of ACT Public Service policies in TAMS;
- > oversight of, and leadership in the development of a Safety Management System (SMS) for TAMS. The SMS progressed to a draft manual which will be considered by the WHSSC with implementation expected to commence in 2016; and
- > endorsement of a new work health and safety training module targeting perceptions of risk and legal duties for managers.

Health and Safety Advisors (HSAs) were embedded in several business units to assist managers and HSRs on health and safety issues and to drive health and safety initiatives.

Examples of safety and wellbeing initiatives undertaken include:

- > development of specific pre-employment medical assessment for ACTION staff;
- > free skin checks;
- > healthy weight initiatives including health assessments for ACTION staff;
- > annual flu vaccinations; and
- > mental health awareness through promotion of Managing Psychological Illness in the Workplace Training sessions.

The TAMS Emergency Management Plan is maintained by the ELT who were responsible for coordinating a quick response to critical incidents through the review of business continuity plans. Employees were updated on emergency procedures such as evacuation routes via promotional print material in workplaces as well as information available on the TAMS intranet.

An independent contractor provided TAMS' Employee Assistance Program (EAP) offering professional and confidential counselling services to all employees and their immediate families. This year the EAP provider scheduled 51 appointments, with personal issues accounting for 57 percent of appointments and the balance (43 percent) being work related. Employee assistance services were regularly promoted through emails and posters with information also available on the TAMS intranet.

NewAccess is a Beyond Blue program available to all ACT Government employees which is promoted as a free service for employees presenting with mild symptoms of anxiety and depression.

ACCIDENT INCIDENT REPORTING

During 2015-16 there were 799 reported workplace accidents or incidents across TAMS and of those 23 required notification to WorkSafe ACT in accordance with Part 3, Section 38 of the *Work Health and Safety Act 2011*.

No Prohibition Notices or Improvement Notices were issued by WorkSafe ACT to TAMS during 2015-16.

TAMS performance against the *Australian Work Health and Safety Strategy 2012-2022* targets are reported in the following tables.

TABLE 8: TARGET 1 – REDUCE THE INCIDENCE RATE OF CLAIMS RESULTING IN ONE OR MORE WEEKS OFF WORK BY AT LEAST 30 PERCENT

Financial year	number new 5 day claims	Rate per 1,000 employees	Agency Target	ACTPS number new 5 day claims	Rate per 1,000 employees	ACTPS Target
2012-13	56	31.21	33.76	371	18.17	16.69
2013-14	67	37.40	32.72	326	15.48	16.18
2014-15	54	30.55	31.68	280	12.89	15.66
2015-16	28	15.53	30.63	205	9.33	15.14

TAMS met this target. Data in Table 8 demonstrates a substantial reduction in the number of claims reaching five days off work that also corresponds with a substantial reduction in the number of claims received by TAMS in 2015-16. A greater percentage of these claims either resulted in no time away from work or shorter periods of time away from work. During 2015-16 ACTION, in particular, saw a reduction in claims resulting in a reduction in claim costs and time off work.

TABLE 9: TARGET 2: REDUCE THE INCIDENCE RATE OF CLAIMS FOR MUSCULOSKELETAL DISORDERS (MSD) RESULTING IN ONE OR MORE WEEKS OFF WORK BY AT LEAST 30 PERCENT

Financial year	Number new 5 day MSD claims	Rate per 1,000 employees	Agency Target	ACTPS number new 5 day MSD claims	Rate per 1,000 employees	ACTPS Target
2012-13	41	22.85	24.59	240	11.76	11.15
2013-14	45	25.12	23.83	213	10.11	10.81
2014-15	40	22.63	23.07	180	8.28	10.46
2015-16	23	12.76	22.31	146	6.64	10.12

TAMS met this target. When read in conjunction with Target 1 data, Table 9 demonstrates that a substantial component of the reduction in claims was related to less musculoskeletal claims. TAMS was a physical and operational workplace and the risk of musculoskeletal injury was always present. A focus on early intervention strategies such as physiotherapy assisted to reduce claims.

For more information:

T (02) 6205 8479, Governance and Business Solutions

B8 HUMAN RESOURCES MANAGEMENT

TAMS programs were designed to attract, build and retain a competent, resilient and diverse workforce capable of delivering a wide range of services. TAMS focused on building a positive and inclusive workplace culture and continued to build capability in the area of workforce planning.

TAMS continued to promote and educate all employees on the *Respect, Equity and Diversity Framework* (RED). The RED Executive Sponsor supported the TAMS network of RED Contact Officers who provided information to employees experiencing difficulties at work; promoting nationally significant events that support RED-related themes; and training for all employees on RED, Code of Conduct and other training relating to diversity and disability awareness. In addition, a selection of TAMS employees attended information sessions on issues facing lesbian, gay, bisexual, transgender and intersex people in the workplace.

To build diversity in the workforce, TAMS developed a range of employment strategies aimed at attracting and retaining Aboriginal and Torres Strait Islander peoples and people with disabilities. Some of these strategies included awareness training, establishing identified positions and funding diversity scholarships aimed at building capability.

Development commenced on a Reconciliation Action Plan (RAP) that included practical actions aimed at building respectful relationships and creating opportunities for Aboriginal and Torres Strait Islander peoples. The RAP Working Group anticipates endorsement of the RAP from Reconciliation Australia in early 2016-17.

Entry level programs are an important workforce planning and development strategy. During 2015-16 TAMS employed 28 apprentices in the fields of horticulture and heavy vehicle diesel mechanics. Three apprentices were recruited during 2015-16 and another three completed their apprenticeships and were appointed to permanent trade positions. An Indigenous trainee was also recruited for the Aboriginal and Torres Strait Islander Community Bus Program.

The Australian School-Based Apprenticeships (ASBA) scheme provides year 11 and 12 students with the opportunity to gain industry experience and work towards or complete a nationally recognised qualification. TAMS hosted eight ASBAs with two successfully completing the program during 2015-16. We also provided work experience opportunities to 43 ACT high school and college students.

To build capability for the future, TAMS employed three graduates as part of the 2016 ACTPS Graduate Program. Placements were in Roads ACT, TAMS Communications and the Asset Information Group. In December 2015, two graduates from Roads ACT and the Parks and Conservation Service successfully completed the 2015 ACTPS Graduate Program and were permanently appointed.

Each year the achievements of individuals and teams across TAMS are acknowledged and celebrated. In 2015 the nomination process was open to all TAMS employees and other ACT public servants. An award ceremony was held in December 2015 as part of the Senior Managers' Forum.

LEARNING AND DEVELOPMENT

A range of training programs were delivered in 2015-16 with a focus on building the capability of executives and managers, building a performance culture, creating and maintaining respectful workplaces and meeting legislative requirements.

This year, TAMS executives participated in a series of four executive development workshops that aimed to develop, strengthen and sustain leadership capability. The workshops used a blend of theory and practice to focus on contemporary issues including understanding management styles and the impact of these on managing teams and engaging with stakeholders, effective decision making and managing change.

The Manager Development Program aimed to build the capability of middle managers. Topics included core management skills such as leading and managing teams, decision making and judgement, communication skills, customer focus and stakeholder management. In line with TAMS employment strategies, the 2016 Manager Development Program included allocated places for an Aboriginal or Torres Strait Islander employee and one place for an employee with disability. This year, a total of 18 employees participated in the program.

A new WHS training course was developed in 2015-16 for managers and supervisors to build their knowledge and understanding of legislative requirements and promotes the development of a workplace culture that values safety.

To support the implementation of employment strategies for people with disability, TAMS delivered disability awareness training. This training was designed to build confidence across TAMS to effectively employ, support and manage individuals with disability and to foster an inclusive workplace.

Aboriginal and Torres Strait Islander Cultural Awareness training was delivered by the Yurauna Centre to 112 employees and will continue to be offered to all employees through the TCCS Training Calendar. This training is mandatory for all executives and managers across TAMS, and now TCCS, and has played a significant role in laying the groundwork for the development of the RAP.

Study assistance was provided to nine employees across TAMS in areas mutually beneficial to themselves and their workplaces at a total cost of \$2,887.

A further 171 employees completed a range of other training courses available through the ACTPS Training Calendar at a total cost of \$69,404. This included training in work health and safety, information technology, procurement, effective communication, leadership and management.

Human Resources provided support and guidance in relation to people management issues. Support was also provided to assist business units to ensure compliance with the relevant Enterprise Agreement and that appropriate consultation was undertaken during times of change.

Eligible employees were transitioned during the year to either the Infrastructure Officers or the Infrastructure Manager/Specialist classification. The new classification structure was developed to address attraction, retention and remuneration challenges within this area of employment.

The TAMS Consultative Committee, which included representatives from all industrial organisations, met twice during the year to provide feedback to the TAMS Executive Team.

ATTRACTION AND RETENTION INCENTIVES (ARINS)

As at 30 June 2016, TAMS had 11 individual ARIns. One ARIn was entered into during the year and seven were terminated, of which five were as a result of the transition to the Infrastructure Manager classification.

TAMS has no existing Australian Workplace Agreements (AWA's).

TABLE 10: ATTRACTION AND RETENTION INCENTIVES (ARINS) CLASSIFICATIONS

Classification range		Remuneration at 30 June 2016
Individual and group ARIns	INFR3-SOGA	\$119,293 – \$171,360

Note: TAMS had no privately plated vehicles as at 30 June 2016 and no employees have transferred from AWA's during the period.

TABLE 11: ATTRACTION AND RETENTION INCENTIVES (ARINS)

Description	Number of individual ARIns	Number of group ARIns	Total employees covered by group ARIns	Total
	A	B	C	(A+C)
ARIns				
Number of paid ARIns at 30 June 2016	11	Nil	Nil	11
Number of ARIns transferred from Special Employment Arrangements (SEAs) in the period	Nil	Nil	Nil	Nil
Number of ARIns entered into during period (excluding pre-existing)	17	Nil	Nil	17
Number of ARIns terminated during period	8	Nil	Nil	8
The number of ARIns providing for privately plated vehicles as at 30 June 2016	Nil	Nil	Nil	Nil
The number of ARIns or employees who have transferred from AWAs during the period	Nil	Nil	Nil	Nil

STAFFING PROFILE

TAMS had 1,776.1 full-time equivalent (FTE) employees. The following tables provide a breakdown of staff by classification, employment category, average length of service and age profile as at 30 June 2016.

This staffing profile does not include Senior Executives appointed under the interim management structure in May 2016. Please refer to Our Structure on p3 of this report for more information on the interim management arrangements.

TABLE 12: FULL-TIME EQUIVALENT AND HEADCOUNT BY DIVISION

Division	FTE	Headcount
Corporate and Business Enterprises	148.4	155
Infrastructure, Roads and Public Transport	1,009.4	1,124
Office of the Director-General	5.0	5
Parks and Territory Services	613.4	652
Total	1,776.1	1,936

TABLE 13: FULL-TIME EQUIVALENT AND HEADCOUNT BY GENDER

	Female	Male	Total
FTE by gender	404.6	1,371.5	1,776.1
Headcount by gender	460	1,476	1,936
Percentage of workforce	23.8%	76.2%	100.0%

TABLE 14: HEADCOUNT BY CLASSIFICATION AND GENDER

Classification group	Female	Male	Total
Administrative Officers	162	87	249
Bus Operator	67	625	692
Capital Linen Service Officers	31	31	62
Executive Officers	3	18	21
General Service Officers and Equivalent	49	411	460
Professional Officers	33	31	64
Rangers	12	31	43
Senior Officers	76	117	193
Technical Officers	19	63	82
Trainees and Apprentices	4	24	28
Transport Officers	4	38	42
TOTAL	460	1,476	1,936

TABLE 15: HEADCOUNT EMPLOYMENT CATEGORY BY GENDER

	Female	Male	Total
Casual	37	67	104
Permanent Full-time	272	979	1,251
Permanent Part-time	108	254	362
Temporary Full-time	41	170	211
Temporary Part-time	2	6	8
TOTAL	460	1,476	1,936

TABLE 16: HEADCOUNT BY DIVERSITY* GROUP

	Headcount	Percentage of staff
Aboriginal or Torres Strait Islander	33	1.7%
Culturally and linguistically diverse	455	23.5%
People with disability	60	3.1%

* Employees who identify in more than one equity and diversity category are only counted once.

TABLE 17: HEADCOUNT BY AGE GROUP AND GENDER

Age Group	Female	Male	Total
Under 25	15	46	61
25-34	103	208	311
35-44	117	336	453
45-54	116	454	570
55 and over	109	432	541

TABLE 18: AVERAGE LENGTH OF SERVICE BY GENDER

Gender	Female	Male	Total
Average years of service	8.5	10.2	9.8

TABLE 19: PERMANENT RECRUITMENT AND SEPARATION PERCENTAGE RATES BY DIVISION

Division	Recruitment Rate	Separation Rate
Corporate and Business Enterprises	14.2%	7.5%
Infrastructure, Roads and Public Transport	6.7%	7.0%
Office of the Director-General	0.0%	0.0%
Parks and Territory Services	7.6%	6.3%
Total	7.6%	6.8%

TABLE 20: PERMANENT RECRUITMENT AND SEPARATION RATES BY CLASSIFICATION GROUP

Classification Group	Recruitment Rate	Separation Rate
Administrative Officers	8.5%	8.0%
Bus Operator	6.3%	6.9%
Capital Linen Service Officers	23.5%	3.9%
Executive Officers	0.0%	6.1%
General Service Officers and Equivalent	6.8%	6.2%
Professional Officers	12.6%	2.1%
Rangers	27.9%	7.0%
Senior Officers	6.2%	9.1%
Technical Officers	5.3%	4.0%
Trainees and Apprentices	0.0%	0.0%
Transport Officers	0.0%	9.4%
TOTAL	7.6%	6.8%

Note: Apprentices and trainees were engaged as temporary employees and are therefore not reflected in the permanent recruitment and separation rates for these classifications.

For more information:

T (02) 6205 8479, Governance and Business Solutions

B9 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

TAMS was responsible for the delivery of a broad range of services to the Canberra community. The nature of the services delivered by the Directorate means it was a significant contributor to the ACT Government's environmental footprint. Whilst this brought many challenges, it also represented an opportunity for the Directorate to deliver economic, social and environmental outcomes for the benefit of future generations.

TAMS developed and improved policies and programs consistent with the *Climate Change and Greenhouse Gas Reduction Act 2010*. The TAMS Sustainability Program was set up to centrally coordinate implementation of the Carbon Neutral ACT Government Framework (Carbon Neutral Framework) across the Directorate. In accordance with the Carbon Neutral Framework, all TAMS offices and suitable service facilities signed up to the Actsmart Business Recycling Program.

The TAMS Resource Management Plan 2015-17 was completed in line with strategies of the Framework, encompassing 21 actions to improve efficiency across the Directorate. The TAMS Sustainability Working Group was established with 17 members representing Divisions and business units as well as from the EPD, ACT Property Group and Shared Services ICT.

TAMS contributed to a whole of Government approach to work toward achieving carbon neutrality in ACT Government operations by 2020 through membership on the Carbon Neutral Implementation Committee and participation in a Trial Carbon Budget in 2015-16. A reduction target of one percent in electricity consumption was set and compared with the 2014-15 baseline. Tracking and reporting of energy use through the Government's online utility management system, the Enterprise Sustainability Platform saw financial gains through better energy management as a result of the trial. Lessons learned from the trial will inform the development of the TCCS Carbon Budget 2016-17 to include operational intensity targets which demonstrate efficiency where growth or changes in operations occur.

Where possible, TAMS aimed to support reductions in energy and water use through Directorate wide efforts such as:

- > use of LED and compact fluorescent lighting in place of incandescent bulbs;
- > use of non potable water for irrigation;

- > staff education and reminders of environmental impacts of their day to day activities;
- > consideration of fuel efficient fleet vehicles during procurement;
- > recycling initiatives; and
- > reuse of organic material generated by TAMS operations.

HIGHLIGHTS FOR 2015-16

ACT Public Cemeteries introduced a natural burial option at Gungahlin Cemetery in 2015, making use of forest areas that would not otherwise be used. Natural burial only permits biodegradable material in a grave, further reducing the environmental impact of the internment. Additionally, this option makes use of forest areas that would not otherwise be used and allows for the potential reuse of land in the future.

Capital Linen Service upgraded a continuous batch washer hydraulic press that extracts more water after washing, reducing drying time and reducing gas and electricity usage.

ACT NOWaste continued to expand the Mugga Lane landfill to enable safe and environmentally responsible disposal of ACT's waste and to extend the life of the landfill by 30 years. Harvesting landfill methane continued from the landfills at Mugga Lane and West Belconnen generating enough electricity to supply over 3,000 homes.

The ACT Waste Feasibility Study was established in 2015-16 and a solid baseline of opportunities has been created to improve waste services and recycling within our community and support achievement of our Waste Strategy 2011-2025.

Roads ACT trialled an eco friendly road resurfacing with recycled materials, such as printer toner and recycled road pavement, included in the final low carbon asphalt mix. Approximately 160 tonnes of asphalt has been laid, saving 2.24 tonnes of carbon dioxide emissions when compared to standard asphalt.

For more information:

T (02) 6205 8479, Governance and Business Solutions

TAMS SUSTAINABLE DEVELOPMENT PERFORMANCE 2014-15 AND 2015-16

TABLE 21: TAMS SUSTAINABLE DEVELOPMENT PERFORMANCE 2014-15 AND 2015-16

Indicator as at 30 June	Unit	Current FY 2015-16	Previous FY 2014-15	% change
Agency staff and area				
Agency staff	FTE	1,776.1	1,715.6	3.5
Workplace floor area	Area (m ²)	55,941	55,430	-0.5
Stationary energy usage				
Electricity use	Kilowatt hours	53,668,394	54,388,384	-1.3
Renewable electricity use	Kilowatt hours	N/A	N/A	N/A
Natural gas use	Megajoules	55,404,380	52,984,686	4.6
Transport fuel usage				
Total number of vehicles	Number	431	497	-13.3
Total kilometres travelled	Kilometres	5,179,724	5,216,825	-0.7
Fuel use – Petrol	Kilolitres	38.2	53.0	-28.3
Fuel use – Diesel	Kilolitres	901.6	1080.3	-16.5
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	0	0	0
Fuel use – Compressed Natural Gas (CNG)	Kilolitres	0	0	0
Dual Fuel (Fuel Card)	Kilolitres	38.1	41.1	-7.3
Water usage				
Water use	Kilolitres	294,948	360,863	-18.3
Resource efficiency and waste				
Reams of paper purchased	Reams	8,526	9,311	-8.4
Recycled content of paper purchased	Percentage	56.30	60.85	-7.5
Waste to landfill	Litres	222,233	222,233	Nil
Co-mingled material recycled	Litres	159,775	159,775	Nil
Paper & Cardboard recycled (incl. secure paper)	Litres	361,463	321,353	12.5
Organic material recycled	Litres	20,742	20,742	Nil
Greenhouse gas emissions				
Emissions from stationary energy use	Tonnes CO ₂ -e	45,050	46,963	-4.1
Emissions from transport	Tonnes CO ₂ -e	2,655	3,224	-17.6
Total emissions	Tonnes CO₂-e	47,705	50,187	-4.9

Notes to Table 21

FTE for 2014-15 differs from data reported in TAMS 2014-15 Annual Report which was reported as headcount rather than FTE

Workplace floor area refers to staff accommodation such as offices, staffed depots and heated workshops and excludes sites that are not occupied by staff or used sporadically such as driver facilities, drop-in depots, cottages, carparks, recycling centres or bus sheds. This definition has changed from the 2014-15 reporting period, and will vary from the information reported in the 2014-15 TAMS Annual Report.

Stationary energy consumption is adjusted from what was reported in 2014-15 to reflect adjusted consumption based on reviewing historical data. Water consumption is based on a year running from 1 May 2015 to 30 April 2016 to provide the most complete and accurate consumption summary for the purposes of this report. This will vary from the information in the 2014-15 TAMS Annual report.

Transport fuel use includes all TAMS fleet vehicles active through 2015-16 regardless of duration, excluding ACTION (See table 22 for ACTION information). Fuel card consumption is for fuel cards which were used to purchase both petrol and diesel and is unable to be broken down between the fuel types. For this consumption emissions have been calculated using emissions factor for diesel as defined in National Greenhouse Accounts (NGA) Factors August 2015 of 74.1 kg CO₂-e/GJ.

Due to limited availability of data, recycling is reported for Macarthur House only. Directorate waste volumes are expected to rise in 2016-17 as all staffed sites migrate to the Actsmart Business Office and Recycling Program.

Greenhouse gas emissions for electricity consumption have been calculated using emissions factors based on the latest (April 2016) ACT Electricity Emissions Factor Report: (1) In 2014-15 a factor of 0.801 kilogram (kg) CO₂-e / kilowatt hour (kWh) or 0.801 tonne (t) CO₂-e / megawatt hour (MWh), this has resulted in a small variation in reporting of 2014-15 results.

TABLE 22: RESOURCE USE BY ACTION BUSES 2014-15 AND 2015-16

Indicator as at 30 June 2015	Unit	Current FY 2015-16	Previous FY 2014-15	% change
Transport				
Total number of vehicles	Numeric	432	436	-0.9
Total vehicle kilometres travelled	Kilometres	25,748,207	25,603,699	0.6
Transport fuel (petrol)	Kilolitres	N/A	N/A	
Transport fuel (diesel)	Kilolitres	9,227	8,983	2.7
Transport fuel (LPG)	Kilolitres	N/A	N/A	
Transport fuel (CNG)	Kilolitres	1,874	2,014	-7.0
Total transport energy use	Gigajoules	451,474	449,199	0.5
Greenhouse gas emissions				
Total transport greenhouse gas emissions (all scopes)	Tonnes CO ₂ -e	32,777	32,844	-0.2

Note to table 22

Energy content was calculated for diesel using a figure of 38.6 GJ/kL and 0.0393 GJ/m³ according to National Greenhouse Accounts (NGA) Factors August 2015, Table 39 and 37 respectively. The figure for 2014-15 varies slightly from that published in the 2014-15 TAMS Annual Report.







FINANCIAL MANAGEMENT

- > C1 FINANCIAL MANAGEMENT DISCUSSION AND ANALYSIS
 - > C2 FINANCIAL STATEMENTS
 - > C3 CAPITAL WORKS
 - > C4 ASSET MANAGEMENT
- > G5 GOVERNMENT CONTRACTING
- > C6 STATEMENT OF PERFORMANCE

C1 FINANCIAL MANAGEMENT DISCUSSION AND ANALYSIS

TAMS played a key role in building Canberra's environmental, social and infrastructure capital as well as administering the majority of Canberra's municipal services and public transport functions.

Changes in administrative structure

The National Arboretum Canberra was transferred to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016 through Notifiable Instrument NI2016-41 Administrative Arrangements 2016 (No 1).

DIRECTORATE FINANCIAL PERFORMANCE

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

Operating Result compared to Budget

The Directorate's operating result is a deficit of \$21.7 million, which is \$18.3 million lower than the budgeted deficit of \$40.0 million. This variance is largely due to:

- > higher than anticipated gains arising from the contribution of assets (\$20.4 million), predominately due to the infrastructure assets transferred from the Chief Minister, Treasury and Economic Development Directorate to the Directorate as new suburbs were completed; and
- > below budget expenditure in supplies and services (\$18.5 million), mainly relates to the funding for Constitution Avenue recognised as capital works in progress and repairs and maintenance behind schedule due to wet weather.

These have been partially offset by:

- > higher than anticipated 'Other Expenses' (\$24.4 million), this mainly relates to the unbudgeted expensing of capital works related to Majura Parkway (\$14.5 million) and various other projects (\$9.9 million).

Net Cost of Services

Table 23 compares the 2015-16 actual net cost of services to the original budget in table format.

TABLE 23: COMPARISON OF NET COST OF SERVICES TO BUDGET 2015-16

	Original Budget \$'000	Actual \$'000	Variance \$'000	%
Expenses				
Employee and Superannuation	80,636	94,383	13,747	17.05%
Supplies and Services	180,867	162,366	(18,501)	-10.23%
Depreciation and Amortisation	147,189	149,688	2,499	1.70%
Grants and Purchased Services	96,795	93,382	(3,413)	-3.53%
Borrowing costs	410	20	(390)	-95.12%
Other Expenses	255	24,768	24,513	9612.94%
Total Expenses	506,152	524,607	18,455	3.65%
Own Source Revenue				
User charges, Taxes, Fees and Fines	28,742	32,205	3,463	12.05%
Resources Free of Charge	833	1,150	317	38.06%
Other Revenue	748	24,768	24,513	1326.07%
Total Own Source Revenue	30,323	44,022	13,699	45.18%
Total Net Cost of Services	475,829	480,585	4,756	1.00%

Comparison of 2015-16 actual net cost of services to the original budget:

The Directorate's net cost of services for 2015-16 of \$480.6 million was \$4.8 million or 1 percent higher than the original budgeted cost of \$475.8 million.

Higher than anticipated expenses of \$40.7 million, mainly due to:

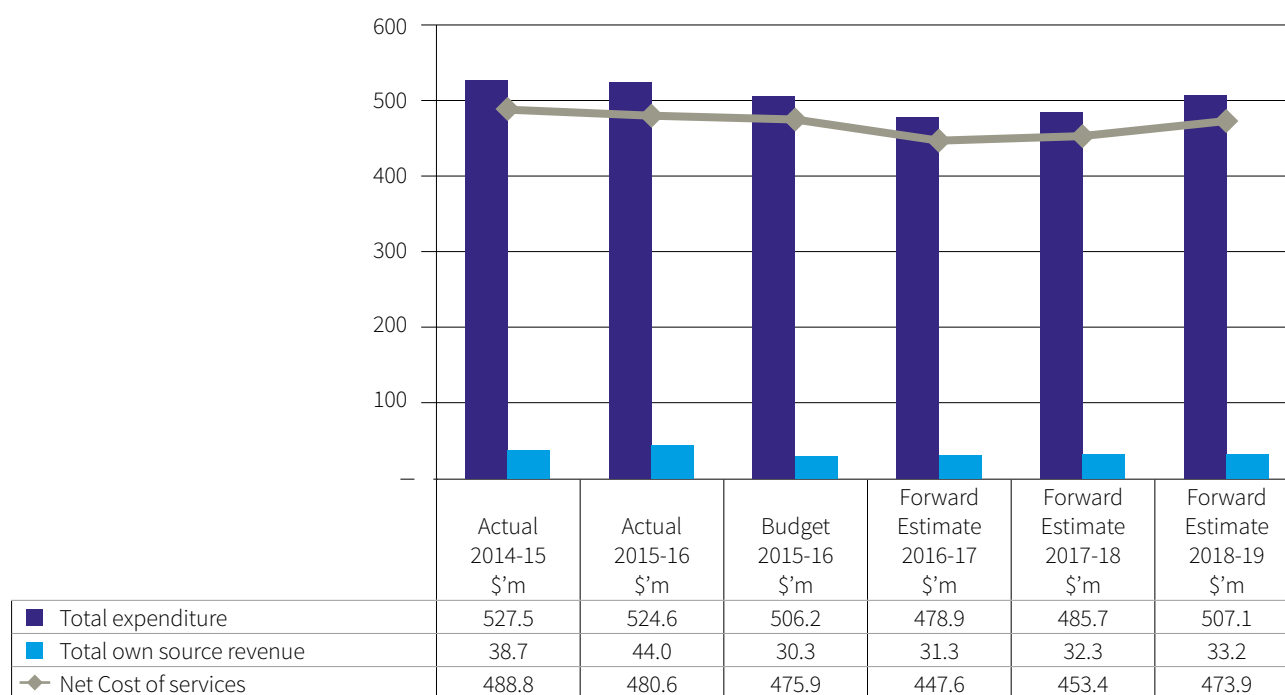
- > Other Expenses:
 - \$24.5 million in expensing of works largely related to capital projects, major items expensed include landscaping and utility diversions for the Majura Parkway;
- > Employee and Superannuation:
 - employee expenses of \$13.7 million due to a combination of factors including: increased workers' compensation insurance premiums of \$2.7 million, higher leave expenses of \$4.6 million, administrative staff transferred from ACTION and the replacing of contract staff with permanent employees.
- > Depreciation and Amortisation:
 - higher depreciation and amortisation \$2.5 million due to the full year impact of increased asset revaluations in 2014-15 and additions from work in progress and transfers from other agencies in 2014-15 and 2015-16.

These have been offset by:

- lower supplies and services expenses of \$18.5 million, mainly due to the funding for Constitution Avenue recognised as capital works in progress and repairs and maintenance behind schedule because of wet weather;
- an increase in other revenue from acceptance of contaminated waste and revenue received from Land Development Agency (LDA) for Stormwater remediation works performed by the Directorate of \$9.9 million;
- higher user charges revenue mainly due to Capital Linen services and timber sales of \$3.5 million; and
- lower grants and purchased services of \$3.4 million, mainly due to lower payments to ACTION as a result of transfer of some functions from ACTION to the public transport branch in the Directorate.

The financial information in Figure 5 excluded the impact of 'other gains' (asset transfers to the Directorate from the LDA and private developers).

FIGURE 5: NET COST OF SERVICES



Comparison of 2015-16 actual net cost of services to 2014-15:

This year's net cost of services was \$8.2 million lower than the previous year, mainly due to a decrease in the expensing of completed works associated with capital projects.

Future trends:

The Directorate will merge the functions of CMA, ACTION and the Active Travel Office from EPD to create the Transport Canberra and City Services Directorate from 1 July 2016.

Figure 5 shows the net cost of services information from 2014-15 to the projected forward years excluded the functions transfer to the Directorate on 1 July 2016. In 2016-17, TCCS will continue to focus on mitigating financial risks by maintaining expenditure levels within budget in an environment where pressures on the net cost of service delivery are significant. In 2016-17 expenses are expected to decrease mainly due to completion of prior year initiatives. Both expenses and own source revenue across the forward estimates will largely remain in line with forecast indexation.

TOTAL EXPENSES

Components of expenses:

Figure 6 indicates the components of the Directorate's expenses for 2015-16, with the largest components being Supplies and Services representing 31 percent (\$162.4 million), Depreciation and Amortisation expenses 28 percent (\$149.7 million), Grants and Purchased Services representing 18 percent (\$93.4 million), Employee and Superannuation Expenses representing 18 percent (\$94.4 million) and Other expenses 5 percent (\$24.8 million).

Supplies and services payments include repairs and maintenance expenditure of \$51.8 million, payments for professional services of \$47.5 million, building and facilities operating costs of \$16.8 million, and IT and communication costs of \$10.5 million.

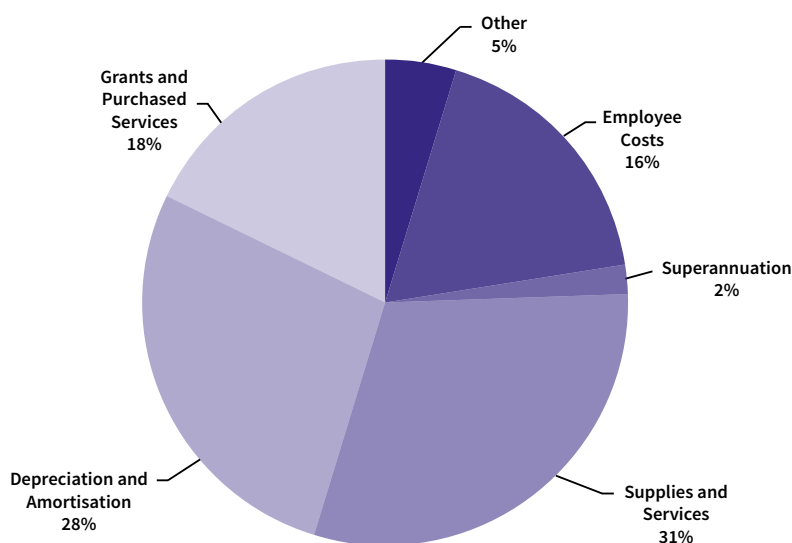
Comparison of 2015-16 total expenses to the Original Budget

Total expenses of \$524.6 million was \$18.5 million, or 3.6 percent higher than the 2015-16 original budgeted cost.

This was mainly due to:

- > expensing of completed works associated with capital projects, that did not meet the definition of an asset, mainly utility diversion and landscaping (\$24.3 million); and

FIGURE 6: COMPONENTS OF EXPENSES FOR 2015-16



- > higher than expected in employee and superannuation expenses (\$13.7 million) resulting from a combination of factors including: increased workers' compensation insurance premiums of \$2.7 million, higher leave expenses of \$4.6 million, administrative staff transferred from ACTION, and the replacing of contract staff with permanent employees of \$6.1 million.

These have been partially offset by:

- > decrease in supplies and services of \$18.5 million mainly relates to the funding for Constitution Avenue recognised as capital works in progress and repairs and maintenance behind schedule due to wet weather.

Comparison of total 2015-16 expenses to 2014-15:

This year's total expenditure was \$2.9 million or 0.6 percent lower than the previous year. It was consistent with prior year.

TOTAL OWN-SOURCE REVENUE

Components of own-source revenue:

Total own-source revenue was \$44.0 million, comprising total user charges of \$26.7 million, fees and fines of \$5.5 million, resources received free of charge of \$1.2 million and other revenue of \$10.7 million.

Comparison of 2015-16 own-source revenue to the original budget:

Own-source revenue for the year ended 30 June 2016 was \$44.0 million, \$13.7 million or 45.2 percent higher than the 2015-16 original budgeted of \$30.3 million.

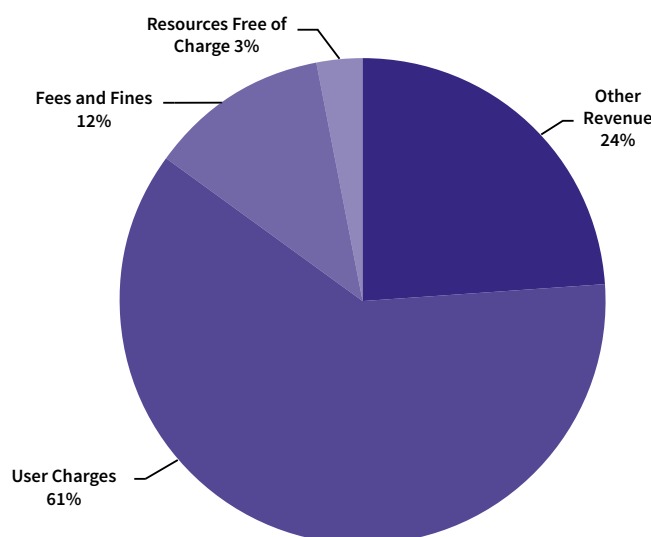
This variance is mainly due to higher than anticipated:

- > contaminated waste revenue and revenue received from LDA for Stormwater remediation works of \$9.9 million; and
- > timber sales and linen revenue of \$3.5 million.

Comparison of 2015-16 own-source revenue to 2014-15:

This year's own-sourced revenue was \$5.3 million or 13.7 percent higher than the previous year, mainly due to revenue received from LDA for Stormwater Remediation works performed by the Directorate.

FIGURE 7: COMPONENTS OF OWN-SOURCE REVENUE 2015-16



DIRECTORATE FINANCIAL POSITION - TOTAL ASSETS

Components of total assets:

At 30 June 2016 the Directorate held 98.4 percent of its total assets of \$9.4 billion in property, plant and equipment (\$9.3 billion).

The major component of property, plant and equipment is infrastructure assets (\$6.9 billion).

Figure 8 indicates that the major categories of infrastructure assets are stormwater assets 40 percent, roads 35 percent, bridges 15 percent, cyclepaths and footpaths 2 percent and other assets 8 percent.

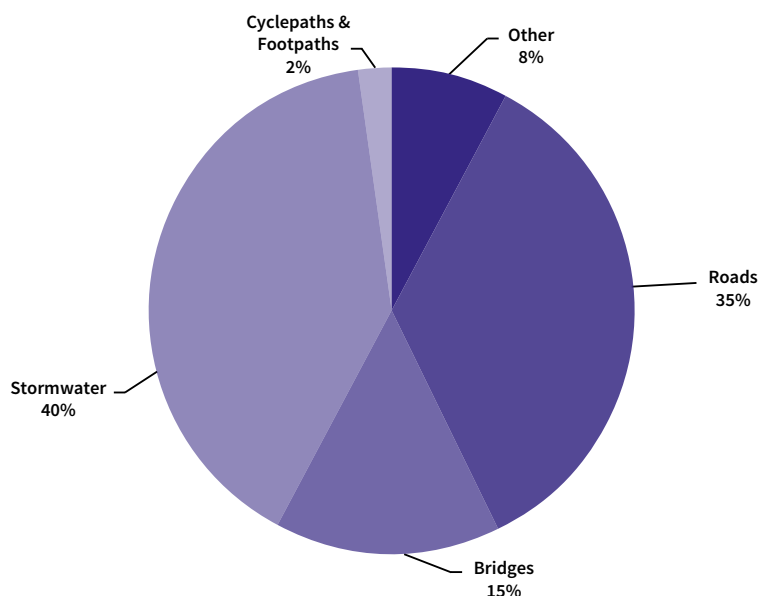
Comparison of total assets at 30 June 2016 to the original budget:

The total asset position at 30 June 2016 of \$9.4 billion is in line with 30 June 2016 original budgeted amount.

Comparison of 2015-16 total assets to 2014-15:

The Directorate's total asset position is \$0.1 billion higher than the previous year's total of \$9.3 billion; this is due to an increase in property, plant and equipment.

FIGURE 8: INFRASTRUCTURE ASSETS AT 30 JUNE 2016



DIRECTORATE FINANCIAL POSITION - TOTAL LIABILITIES

Components of total liabilities:

Total liabilities are \$92.1 million. Figure 9 indicates that the major categories of the Directorate's liabilities are payables 28 percent, employee benefits 32 percent, provisions for the infrastructure costs and the restoration of Waste Landfill Sites at Mugga Lane and West Belconnen 37 percent and other liabilities 3 percent.

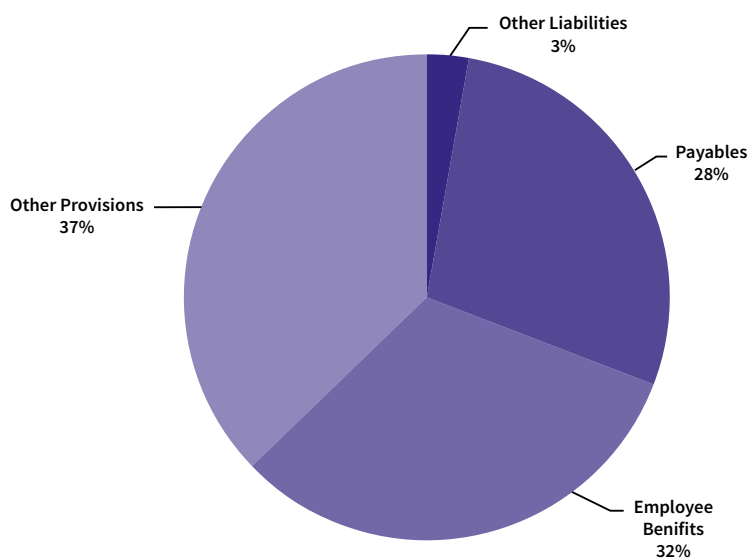
Comparison of total liabilities at 30 June 2016 to the original budget:

The Directorate's liabilities at 30 June 2016 of \$92.1 million are \$7.4 million (8.7 percent) higher than the original budgeted amounts. The total liabilities were impacted by timing of payments to be made in relation to the capital works settlement.

Comparison of total liabilities at 30 June 2016 to liabilities at 30 June 2015:

Total liabilities are \$23.7 million (34.7 percent) higher than the previous year total of \$68.4 million primarily due to the impact of the timing of payments, the increment to the provision for the restoration of Waste Landfill Sites at Mugga Lane and West Belconnen and the provision of infrastructure costs.

FIGURE 9: TOTAL LIABILITIES AT 30 JUNE 2016



TERRITORIAL STATEMENT OF REVENUES AND EXPENSES

Total income

The major categories of territorial revenue are land sales revenue (including interest) 62 percent and commercial and industrial waste acceptance fees, land transferred from controlled and dog licence fees 38 percent.

Comparison of 2015-16 total income to the original budget:

Total Territorial income for the year ended 30 June 2016 was \$42.8 million, which was \$58.5 million (57.8 percent) lower than the 2015-16 original budgeted amount. Lower total income mainly relates to the change in the timing of recognising the land sale (refer to Note 3 *Change in Accounting Policy, Accounting Estimates, Correction of Prior Period Error*).

Comparison of 2015-16 total income to 2014-15:

Total income was \$6.4 million (17.6 percent) higher than in the previous year mainly due to an increase in land sales revenue.

Future trends:

Land sales revenue for 2016-17 is budgeted at \$73.0 million in line with the ACT Government's land release program. Budgeted expenditure represents the transfers of revenues to the ACT Government.

MANAGEMENT ANALYSIS AND DISCUSSION - ACTION BUSES

ACTION's principal objective is to provide public transport services to the ACT community consisting of scheduled route bus services, school bus services, community and special needs transport and management of the ACT rural schools contract.

From 1 July 2016 ACTION will merge some functions from the Public Transport branch within TAMS and the CMA to form Transport Canberra within the Transport Canberra and City Services Directorate. ACTION will remain a separate reporting entity.

FINANCIAL PERFORMANCE

The following financial information is based on audited Financial Statements for the 2014-15 and 2015-16 financial years and the forward estimates contained in the 2016-17 Budget Papers.

OPERATING RESULT

Total Expenditure

Components of Expenditure

Figure 10 illustrates the components of ACTION's expenditure for 2015-16 with the largest component of expenditure being employee expenses representing 61 percent, or \$88.0 million.

Comparison to Budget

Total expenditure of \$144.8 million was consistent with the 2015-16 budget of \$144.4 million.

Comparison to Prior Year

Total expenditure of \$144.8 million was consistent with the 2014-15 reported result of \$144.4 million.

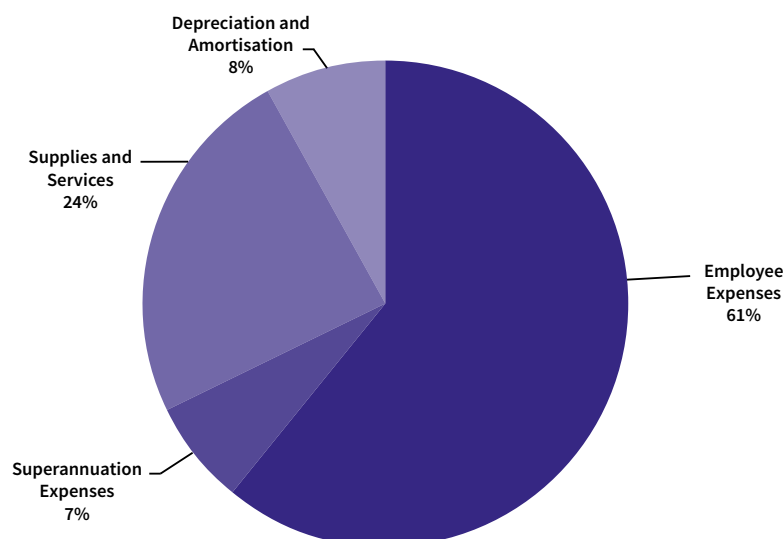
Future Trends

Employee and superannuation expenses for 2016-17 are budgeted at \$101.8 million. This is an increase of \$4.6 million or 5% on the 2015-16 budget of \$97.2 million which reflects adjustments for future Enterprise Agreement pay increases, additional funding to service the new weekday network to be implemented in 2016-17 and Fringe Benefit Tax funding of \$0.6 million.

Depreciation and amortisation expenses for 2016-17 are budgeted at \$11.9 million reflecting the acquisition of new buses.

Future budgets for ACTION beyond 2016-17 will be informed by the strategic priorities of the new Directorate.

FIGURE 10: COMPONENTS OF EXPENDITURE FOR 2015-16



TOTAL INCOME

Components of Income

Figure 11 illustrates that for the financial year ended 30 June 2016, ACTION received 19 percent of its total income of \$130.0 million from non-ACT Government user charges. ACTION's income is primarily derived from ACT Government user charges for community service obligations and other revenue including special needs transport and concessional travel payments. The remainder of income relates to fares, charter and bus advertising services provided.

Comparison to Budget

Income for the year ended 30 June 2016 was \$130.0 million, which is \$1.9 million lower than the 2015-16 budget of \$131.9 million. This was largely due to:

- > the reduction in appropriation from ACT Government of \$3.4 million, of which \$2.8 million related to funding provided for a new weekday network which has been deferred to 2016-17 and \$0.6 million for the transfer of functions; and
- > below budget fare revenue of \$0.3 million.

These factors have been offset by:

- > higher fuel tax credit of \$0.8 million as a result of additional claims allowable for fuel used in operating auxiliary equipment on the bus fleet;
- > unbudgeted resources received free of charge of \$0.4 million from the Emergency Services Authority for access to the territory radio network;

- > greater revenue from government for concessions, special needs transport and recoveries of \$0.3 million; and
- > other unbudgeted revenue including sales proceeds and insurance recoveries of \$0.3 million.

Comparison to Prior Year

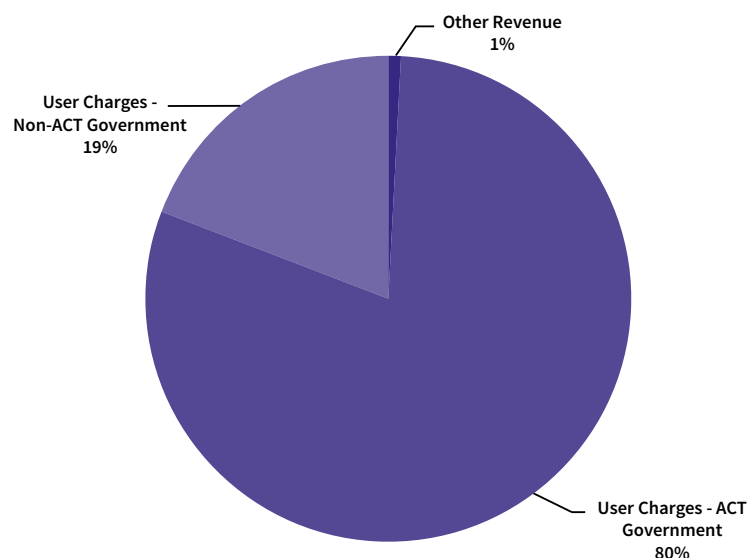
Income of \$130.0 million in 2015-16 was \$3.4 million lower than the 2014-15 reported result of \$133.4 million. The decrease was mainly due to a net decrease in service payments from the ACT Government of \$3.4 million resulting from \$1.8 million in funding for corporate functions transferred to the Territory and Municipal Services Directorate from 1 July 2015 and a reduction in funding for savings required to be achieved through business improvement efficiencies.

Future Trends

ACTION's own source income is projected to increase in forward years (\$0.8 million in 2016-17) as the result of projected increases to bus patronage, offset by a decrease in Government service payments.

Future budgets for ACTION beyond 2016-17 will be informed by the strategic priorities of the new Directorate.

FIGURE 11: COMPONENTS OF INCOME FOR 2015-16



FINANCIAL POSITION

Total Assets

Components of Total Assets

Figure 12 illustrates that at 30 June 2016, property, plant and equipment, including intangibles and capital works in progress accounted for 93 percent of ACTION's total asset base of \$168.7 million.

Comparison to Budget

Assets at 30 June 2016 totalled \$168.7 million, \$5.5 million (3 percent) higher than the 2015-16 budget of \$163.2 million. The increase is largely the result of:

- > higher property, plant and equipment of \$1.3 million resulting from the early acquisition of an additional nine buses as part of the bus replacement program of \$6.7 million, partially offset by lower than budgeted project costs on the fuel storage upgrade of \$3.5 million;
- > higher capital works in progress balance of \$1.5 million due to unexpected delays in placing four buses into service; and
- > a higher cash and cash equivalents balance of \$2.1 million which is due to the opening cash balance being \$2.5 million above budget at 30 June 2015 and increased cash received for greater MyWay card balances of \$1.1 million, partially offset by a higher receivables balance of \$1.6 million.

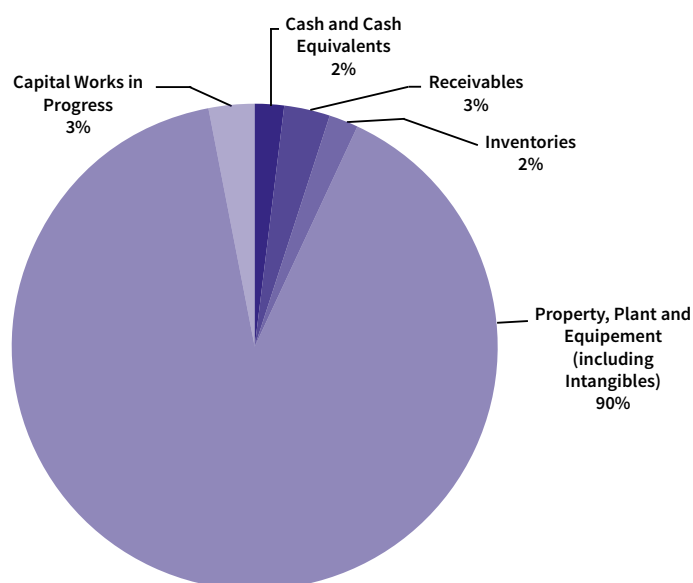
Comparison to Prior Year

ACTION's total asset position of \$168.7 million is a \$5.0 million (3 percent) increase on the 2014-15 reported result of \$163.7 million. The increase is primarily because of:

- > an increase in property, plant and equipment of \$5.3 million reflecting the delivery of buses under the bus replacement program of \$12.5 million, fuel storage facilities replacement at the Tuggeranong depot of \$2.8 million, depot upgrades and refurbishments of \$1.2 million, these were largely offset by depreciation expense of \$11.2 million;
- > an increase of \$1.5 million in capital works in progress reflecting delays in capitalisation of four buses waiting to be put into service; and
- > an increase of \$1.7 million in receivables resulting from the recovery of \$1.8 million from TAMS for the net transfer of 11 corporate employees to the Public Transport Branch.

These were partially offset by a decrease of \$3.2 million in cash as the result of a 27th pay period occurring in 2015-16.

FIGURE 12: COMPONENTS OF TOTAL ASSETS AT 30 JUNE 2016



Total Liabilities

Components of Total Liabilities

Figure 13 illustrates that the major component of ACTION's liabilities relate to employee benefits with \$24.0 million or 76 percent.

Comparison to Budget

ACTION's liabilities for the year ended 30 June 2016 of \$31.7 million are \$1.1 million (4 percent) higher than the 2015-16 budget of \$30.6 million largely due to:

- > an increase in employee benefit liabilities of \$2.5 million reflecting increased rates of pay under the Enterprise Agreement and an upward adjustment to the long service leave liabilities; and
- > an increase in revenue received in advance of \$1.1 million due to increased balances held on MyWay cards; largely offset by lower than budget payables of \$2.2 million.

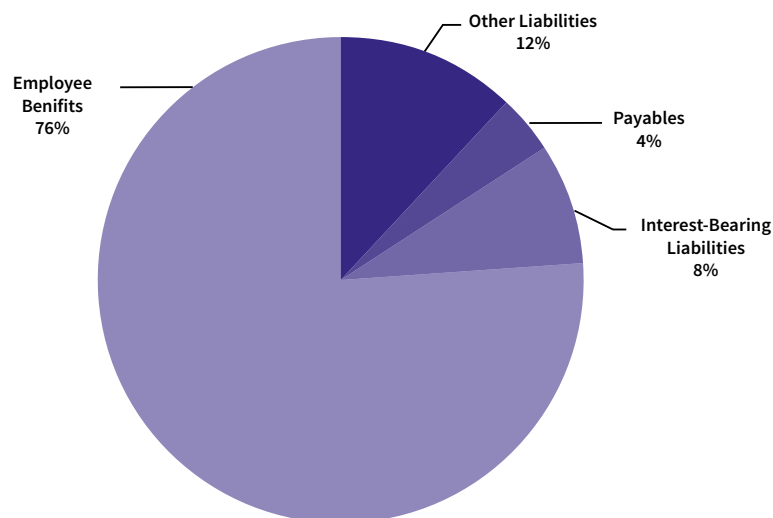
Comparison to Prior Year

ACTION's total liabilities of \$31.7 million is \$0.9 million (3 percent) higher than the 2014-15 actual result of \$30.8 million. The result is due to:

- > increased employee benefits of \$1.1 million due to increased wage rates under the Enterprise Agreement and an upward adjustment to the long service leave liabilities; and
- > an increase in MyWay revenue received in advance of \$0.6 million.

These increases have been offset by lower payables of \$0.4 million and a reduction in the balance on the Commonwealth loan of \$0.3 million due to the annual repayment in June 2016.

FIGURE 13: COMPONENTS OF TOTAL LIABILITIES AT 30 JUNE 2016





REPORT OF FACTUAL FINDINGS

TERRITORY AND MUNICIPAL SERVICES DIRECTORATE

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of Territory and Municipal Services Directorate (the Directorate) for the year ended 30 June 2016 has been reviewed.

Responsibility for the statement of performance

The Director-General is responsible for the preparation and fair presentation of the statement of performance of the Directorate in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures used to measure the results of accountability indicators reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Directorate, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets.

No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

As disclosed in the statement of performance, in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, the Government Payment for Outputs and Total Cost information included in the statement of performance has not been reviewed.

Electronic presentation of the statement of performance

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

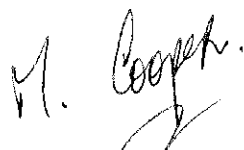
Independence

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

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of the Directorate for the year ended 30 June 2016, are not fairly presented in accordance with the *Financial Management Act 1996*.

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



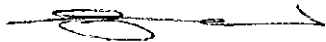
Dr Maxine Cooper
Auditor-General

20 September 2016

**Territory and Municipal Services Directorate
Statement of Performance
For the Year Ended 30 June 2016**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Directorate's records and fairly reflects the service performance of the Directorate in providing each class of outputs during the financial year ended 30 June 2016 and also fairly reflects the judgements exercised in preparing it.



Emma Thomas
Director General
Transport Canberra and City Services
19 September 2016

Territory and Municipal Services Directorate
Statement of Performance
For the Year Ended 30 June 2016

OUTPUT CLASS 1: TERRITORY AND MUNICIPAL SERVICES				
OUTPUT 1.1: Information Services				
Description: Provision of library services to the community through the Libraries ACT's branches, home library service, the ACT Virtual Library, and the Heritage Library.				
	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target	Explanation of Material Variances
TOTAL COST (\$'000)	\$18,924	\$19,687	4%	
GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)	\$15,598	\$15,723	1%	
Accountability Indicators				
ACT Library Service				
Library visits per capita ^a	5.50	4.96	(10%)	Physical library visits are lower than targeted due to the changing patterns of customer usage, e.g. accessing more resources online and using the request systems to target items for loan rather than browsing and borrowing opportunistically.
Items borrowed per capita ^{a,d}	8.20	7.22	(12%)	The lower than expected result is due to a decrease in physical loans, reflecting the drop in physical library visits. While digital loans have increased due to the changing patterns of customer usage, overall items borrowed per capita have decreased.
Percentage of population who are registered library members ^b	57%	64%	12%	Libraries have a strong membership history and continue to attract new members at the rate of approximately 15,000 per year. The above target result is largely attributed to new members attracted by the increased range of e-resources and e-books.
Customer satisfaction with library services ^c	90%	93%	3%	Expenditure on library services is stable, however the population has increased, affecting the per capita outcome.
Direct cost of public library services per capita ^a	\$ 35.50	\$ 32.84	(7%)	The below target result is due to a changing mix of physical and digital collection items (this indicator includes physical items only). Libraries continue to respond to customer trends towards digital resources.
Percentage of library collection purchased in previous 5 years	60%	55%	(8%)	
Number of ACT publications or items added to the heritage collection	12,000	12,469	4%	
The above Statement of Performance should be read in conjunction with the accompanying notes.				
Explanation of Accountability Indicators				
^a 2015-16 target is based on an ACT population of 390,500.				
^b 2015-16 target is based on an ACT population of 390,500 with 57 per cent of the population representing 222,600 library members. Registered library members include people from the ACT and the surrounding NSW region.				
^c The survey includes public libraries only and does not include the Virtual and Heritage Libraries.				
^d Digital loans include all digital downloads, e.g. e books, e audio, music, magazines, newspapers, subscription databases, children's resources and learning resources				

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Government Payment for Outputs measure were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

Territory and Municipal Services Directorate
Statement of Performance
For the Year Ended 30 June 2016

OUTPUT CLASS 1: TERRITORY AND MUNICIPAL SERVICES OUTPUT 1.2: Roads and Sustainable Transport Description: Management of the ACT's road and associated assets, stormwater infrastructure, community paths, bridges, traffic signals, streetlights and car parks. This output also includes the provision of ACTION bus services.				
	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target	Explanation of Material Variances
TOTAL COST (\$'000)	\$333,542	\$344,299	3%	
GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)	\$198,922	\$200,791	1%	
Accountability Indicators				
Infrastructure				
Annual percentage of territorial roads resurfaced ^a	5%	5%	0%	
Annual percentage of municipal roads resurfaced	4%	4%	0%	
Percentage of customers satisfied with the public road network	> 70%	85%		The achievement of the >70% target result indicates that the community's expectations are being met.
Percentage of territorial roads in good condition ^a	> 86%	90%		The achievement of the >86% target was mainly due to the Australian Government's "Roads to Recovery" program's funding being accessed. This enabled the delivery of more road resurfacing.
Percentage of bridges that meet SM1600 standard on the B Double Network ^b	> 75%	82%		The achievement of the >75% result is due to the expansion of the road network (eg. Majura Parkway) which resulted in more bridges that meet the SM1600 standard being included.
Sustainable Transport				
Increase in length (km) of on-road cycle lanes ^c	25	55	120%	A much larger resurfacing program than was anticipated was completed during this reporting period due to additional Australian Government funding from the "Roads to Recovery" program. This meant that more sites for new on-road cycle lanes were identified and delivered than anticipated.
Increase in length (km) of community paths ^d	35	61	74%	The above target result is due to greater than expected increases in community paths which have been contributed by private developers related to the opening of new subdivisions (e.g. Moncrieff).
Customer satisfaction with access to cycle and walking paths	85%	91%	7%	The above target result indicates that the community's expectations are being met. The Directorate has added 61km of community paths and 55km of on-road cycle lanes increasing the availability and access of paths to the community.
The above Statement of Performance should be read in conjunction with the accompanying notes.				
Explanation of Accountability Indicators				
^a Territorial roads are sealed major roads that have the principal function of an avenue for movements linking town centres and suburbs. Territorial roads are defined as NAASRA (National Association of Australian State Road Authorities) Class 1,2,3 and 6.				
^b SM1600 standard is a theoretical loading designated by Australian Standards 5100 2004 Bridge Design which should ensure that bridges can carry future vehicle loadings				
^c The indicator refers to the length of on-road cycle lanes in the network that meet the current standard width requirements. Sections of existing lanes that do not meet this standard are not included in the indicator until they are remarked and become compliant.				
^d Increases in community paths are measured using the date the 'works as executed' drawings are submitted and registered.				

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Government Payment for Outputs measure were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

Territory and Municipal Services Directorate
Statement of Performance
For the Year Ended 30 June 2016

OUTPUT CLASS 1: TERRITORY AND MUNICIPAL SERVICES				
OUTPUT 1.3: Waste and Recycling				
Description: Provision of domestic waste and recyclables collection services, operation of resource management and recycling centres, and implementation and evaluation of waste management programs, including household garbage and recycling.				
	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target	Explanation of Material Variances
TOTAL COST (\$'000)	\$35,697	\$36,432	2%	
GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)	\$27,535	\$26,844	(3%)	
Accountability Indicators				
Waste and Recycling				
Annual tonnes of waste to landfill per head of population ^a	0.60	0.73	22%	The higher than expected result is due to more than anticipated waste to landfill from the Loose Fill Asbestos Insulation Eradication Scheme for Mr Fluffy houses.
Annual total resource recovery tonnage per head of population ^b	1.70	1.58	(7%)	The lower than target result is due to a reduction in reported construction and demolition waste streams as a result of a reduced response to the voluntary survey from the recycling industry.
Percentage of material recovered from the total waste stream	75%	68%	(9%)	The lower than target result is mainly due to more than anticipated waste to landfill from the Loose Fill Asbestos Insulation Eradication Scheme for Mr Fluffy houses. Excluding waste from Mr Fluffy houses the result is 1% below the target (at 74%).
Percentage of customers satisfied with waste collection services	> 90%	93%	-	
Contract cost of landfill waste per tonne ^c	\$ 16.00	\$ 14.71	(8%)	Reduced cost per tonne mainly due to mattress shredding activity (recycled) being processed outside landfill operations.
Annual cost of domestic kerbside waste collection services per head of population ^{d,e}	\$ 19.50	\$ 19.86	2%	
Annual cost of domestic kerbside recycling collection services per head of population ^{d,e}	\$ 10.50	\$ 11.12	6%	The higher than expected cost per head of population is due to higher than anticipated contract costs for recycling collection services.
The above Statement of Performance should be read in conjunction with the accompanying notes.				
Explanation of Accountability Indicators				
^a 2015-16 target is based on an ACT population of 390,500 and Queanbeyan population of 44,000. 2015-16 target represents 0.2t household domestic waste, 0.1t construction and demolition and 0.3t relating to commercial and industrial waste.				
^b 2015-16 target is based on an ACT population of 390,500 and Queanbeyan population of 44,000, the target has been reduced (from the 2014-15 target) to reflect current levels of recovery.				
^c 2015-16 target has been increased (from the 2014-15 target) to reflect current estimates of costs.				
^d 2015-16 target is based on an ACT population of 390,500.				
^e 2015-16 target has been reduced (from the 2014-15 target) to reflect current estimates of costs.				

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Government Payment for Outputs measure were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

Territory and Municipal Services Directorate
Statement of Performance
For the Year Ended 30 June 2016

OUTPUT CLASS 1: TERRITORY AND MUNICIPAL SERVICES OUTPUT 1.4: Land Management Description: Planning and management of the ACT's parks, reserves, open space system and plantations, including associated community infrastructure. The land manager role including maintaining the look and feel of the city; management of land for recreational use; conservation management; including management of national parks, nature reserves, the urban forest; fire management; and pest and weed control. This output also includes management of the National Arboretum Canberra and the Yarralumla Nursery.				
	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target	Explanation of Material Variances
TOTAL COST (\$'000)	\$96,822	\$101,248	5%	The total cost is higher than the original target mainly due to the unbudgeted loss (\$2.7 million) on de-recognition of lease vehicles.
GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)	\$78,853	\$77,738	(1%)	
Accountability Indicators				
Customer satisfaction with the management of protected areas (Tidbinbilla Nature Reserve, Namadgi National Park and Canberra Nature Park)	90%	96%	7%	The above target result reflects the Directorate's focus on continued delivery of high quality services.
Implement fuel management activities - grazing - as identified under the approved Bushfire Operational Plan (BOP) ^{a,b}	100%	100%	0%	
Implement fuel management activities - physical removal - as identified under the approved Bushfire Operational Plan (BOP) ^{a,b}	100%	87%	(13%)	47 of the 54 planned physical removal activities were completed. The remaining 7 activities were not completed, 4 of these were substantially complete, 2 were delayed due to wet weather and 1 fencing removal and replacement activity became obsolete due to the cancellation of future grazing on the site.
Implement fuel management activities - slashing - as identified under the approved Bushfire Operational Plan (BOP) ^{a,b}	100%	100%	0%	
Implement fuel management activities - burning - as identified under the approved Bushfire Operational Plan (BOP) ^{a,b}	100%	91%	(9%)	49 of the 54 planned Hazard reduction burns were completed. The remaining 5 burns were not completed due to the weather, fuel moisture content and curing condition.
Implement access activities - as identified under the approved Bushfire Operational Plan (BOP) ^{a,b}	100%	76%	(24%)	52 of the 68 planned access jobs were completed. The remaining jobs were not completed due to regulatory approval delays and wet weather; also 3 became obsolete due to the existing access trail being assessed as satisfactory and flow on effects of reduced fuel management activities.
Customer satisfaction with the management of Town and District Parks	90%	91%	1%	
Customer satisfaction with the maintenance of street trees	70%	70%	0%	
Customer satisfaction with children's play equipment being well maintained	90%	91%	1%	
Customer satisfaction with the general look and feel of local suburban shopping centres	75%	70%	(7%)	The lower than anticipated result is partly due to the community's expectations around quicker response times to vandalism and broken facilities at shopping centres.
The level of customer satisfaction at the National Arboretum Canberra ^c	85%	93%	9%	The Arboretum is achieving higher satisfaction than the target through providing quality services and experiences for local, interstate and overseas visitors.
Plant spoilage within industry standard ^d	< 10%	6%	-	Continual monitoring of plant losses along with an ongoing review of production planning and procedures has resulted in a lower plant spoilage rate than the industry standard.

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

Explanation of Accountability Indicators

- ^a The TAMS Bushfire Operational Plan (BOP) is an annual works plan legally required under the *Emergencies Act 2004*, for all TAMS fuel management activities and is aimed at mitigating the adverse impact of unplanned fires.
- ^b "Implement" represents activities that have been completed in the annual works plan.
- ^c This accountability indicator was transferred to CMTEDD on 22 January 2016 following changes to administrative arrangements. The 2015-16 result is reported as 93% to reflect the period prior to the transfer to CMTEDD.
- ^d Plant spoilage at Yarralumla Nursery.

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Government Payment for Outputs measure were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

Territory and Municipal Services Directorate
Statement of Performance
For the Year Ended 30 June 2016

OUTPUT CLASS 1: TERRITORY AND MUNICIPAL SERVICES				
OUTPUT 1.5: Regulatory Services				
Description: Administration of regulatory activities to protect and enhance the natural and built environment. Provision of advice, education and compliance services to Government and the community in relation to municipal ranger functions, domestic animal management, plant and animal licensing and significant tree protection.				
	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target	Explanation of Material Variances
TOTAL COST (\$'000)	\$7,884	\$8,178	4%	
GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)	\$7,272	\$7,555	4%	
Accountability Indicators				
Numbers of dogs processed by the Domestic Animal Shelter	1,300	1,437	11%	Changes in animal management arrangements has meant that all stray dogs left at the RSPCA drop off pens are now transferred to Domestic Animal Services resulting in a higher than anticipated number of dogs processed.
Percentage of saleable stray and abandoned dogs re-homed	90%	92%	2%	
Remove abandoned vehicles on unleased land within nine calendar days ^a	100%	92%	(8%)	The lower than target result was mainly due to an increase of 57% in the number of abandoned vehicles experienced in 2015-16.
Respond to complaints of public safety issues within 2 days ^b	100%	75%	(25%)	The result is impacted by the complexity of the safety issues raised. Whilst not all complaints were responded to in time, the high priority public safety issues were attended to within the specified timeframe.
Response and collection of 'sharps' on unleased land within 4 hours	100%	100%	0%	
Responses on Development Applications referred from the Environment and Planning Directorate completed within agreed timeframes ^c	85%	94%	11%	The above target result reflects the Directorate's commitment to reducing response times, by streamlining work practices and early engagement with customers.
Respond to developers submissions within adopted timeframes ^d	85%	98%	15%	The above target result reflects the Directorate's commitment to reducing response times, by streamlining work practices and early engagement with customers.
The above Statement of Performance should be read in conjunction with the accompanying notes.				
Explanation of Accountability Indicators				
^a Commences from date of notification.				
^b Issues include line of sight, overhanging foliage, obstructions on nature strips and signs that pose an immediate safety hazard				
^c Agreed timeframe is 15 working days.				
^d Adopted timeframe is 20 working days.				

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Government Payment for Outputs measure were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

Territory and Municipal Services Directorate
Statement of Performance
For the Year Ended 30 June 2016

OUTPUT CLASS 1: TERRITORY AND MUNICIPAL SERVICES				
OUTPUT 1.6: Capital Linen Service				
Description: Capital Linen Service provides a managed linen service to a range of customers including public and private hospitals, health and aged care providers, hotels, restaurants, major tourist attractions, educational institutions and emergency services.				
	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target	Explanation of Material Variances
TOTAL COST (\$'000)	\$13,283	\$14,630	10%	The total cost is higher than the original budget and reflects higher than anticipated expenses from servicing an increasing customer base, particularly in the Accommodation sector.
GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)				
Accountability Indicators				
Capital Linen Service				
Total tonnes of laundry delivered	5,750	6,322	10%	Capital Linen has achieved higher than anticipated growth particularly in the Commercial (Accommodation) sector. Production levels have increased to meet demand.
Retain certification of Quality Management System Standard AS/NZS ISO 9001:2008	100%	100%	0%	

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Government Payment for Outputs measure were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

REPORT OF FACTUAL FINDINGS

ACTION

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of ACTION for the year ended 30 June 2016 has been reviewed.

Responsibility for the statement of performance

The Director-General of the Transport Canberra and City Services Directorate is responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures used to measure the results of accountability indicators reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of ACTION, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets.

No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

As disclosed in the statement of performance, in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, the Government Payment for Outputs and Total Cost information included in the statement of performance has not been reviewed.

Electronic presentation of the statement of performance

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

Independence

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

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of ACTION for the year ended 30 June 2016, are not fairly presented in accordance with the *Financial Management Act 1996*.

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

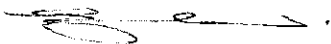


Dr Maxine Cooper
Auditor-General
14 September 2016

ACTION
Statement of Performance
For the Year Ended 30 June 2016

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Directorate's records and fairly reflects the service performance of the Directorate for the financial year ended 30 June 2016 and also fairly reflects the judgements exercised in preparing it.



Emma Thomas
Director General
Transport Canberra and City Services Directorate
14 September 2016

ACTION
Statement of Performance
For the Year Ended 30 June 2016

Output Class 1:	Public Transport
OUTPUT 1.1:	Public Transport
Description:	Provision of a public bus network and school bus services, including a range of express and regular route services within Canberra suburbs. ACTION also provides special needs transport and a bus charter service.

	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target	Explanation of Material Variances
TOTAL COST (\$'000)	\$144,397	\$144,781	0%	
GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)	\$96,014	\$92,639	(4%)	
Accountability Indicators				
Customer satisfaction with ACTION services as assessed by passenger survey ^y	85%	85%	-	
Percentage of in-service fleet fully compliant with standards under the <i>Disability Discrimination Act 1992</i> ^b	70%	72%	3%	
Percent of in-service fleet Euro 3 or better emission standard compliant ^c	64%	68%	6%	The above target result is due to an accelerated delivery schedule of buses that meet the current Euro 6 standard. The current contract included the purchase of 96 buses with 21 buses scheduled for purchase in 2015-16, this schedule was subsequently amended to 29 buses. Therefore more pre Euro 3 buses have been retired than expected.
Service reliability - percentage of all scheduled services which operated to completion ^d	99.5%	99.5%	0%	
Percentage of services operating on scheduled time ^e	75%	78%	4%	
Total network operating cost per network kilometre ^f	\$ 5.24	\$ 5.49	5%	The costs are above target due to lower network kilometres resulting from the delayed implementation of the weekday network which was expected to be implemented in 2015-16 but will now take effect in 2016-17.
Total network operating cost per passenger boarding ^g	\$ 7.73	\$ 7.85	2%	
Fare box recovery as a percentage of total network operating cost ^h	16.4%	16.5%	1%	
ACTION passenger boardings ^h	18,100,000	17,839,038	(1%)	

Explanation of Accountability Indicators

- ^a Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of Territory and Municipal Services Directorate (TAMS). The survey seeks customer views on service levels across a range of services provided to the community by TAMS.
- ^b The *Disability Discrimination Act 1992* (the Act) details the accessibility specifications of a bus required to achieve compliance. The Act requires full compliance by 2022.
- ^c Euro emission standards define the acceptable limits for exhaust emissions of vehicles.
- ^d Service reliability is a measure of all scheduled services which operated to completion.
- ^e Operating on scheduled time describes a bus service that departs a stop that is a designated timing point between 1 minute earlier and 4 minutes later than the scheduled time. GPS technology attached to the MyWay system is used to measure this indicator. Only scheduled services that operated successfully are measured.
- ^f Network operating costs per kilometre measure the cost and kilometres directly attributable to the operation of ACTION's network route and school services. It excludes costs and kilometres associated with the operation of special needs transport, community buses and bus charter services.
- ^g Total network operating costs measure the costs directly attributable to the operation of ACTION's network route and school services.
- ^h Passenger boardings are recorded when a passenger boards a bus and swipes their MyWay card on the MyWay console, purchases a paper ticket on board the bus or when the driver records a boarding through the MyWay console upon the passenger showing a valid paper ticket to transfer between buses.

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Government Payment for Outputs measure were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guideline 2016*.

**FINANCIAL STATEMENTS
OF
TERRITORY AND MUNICIPAL
SERVICES DIRECTORATE

FOR THE YEAR ENDED
30 JUNE 2016**

INDEPENDENT AUDIT REPORT

TERRITORY AND MUNICIPAL SERVICES DIRECTORATE

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the Transport Canberra and City Services Directorate (the Directorate) for the year ended 30 June 2016 have been audited. These comprise the following financial statements and accompanying notes:

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

Responsibility for the financial statements

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

The auditor's responsibility

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

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

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

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

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

Electronic presentation of the audited financial statements

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

Independence

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

Audit opinion

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

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

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



Dr Maxine Cooper
Auditor-General
14 September 2016

**Territory and Municipal Services Directorate
Financial Statements
For the Year Ended 30 June 2016**

Statement of Responsibility

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



Emma Thomas

Director-General

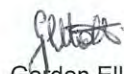
Transport Canberra and City Services Directorate

14 September 2016

**Territory and Municipal Services Directorate
Financial Statements
For the Year Ended 30 June 2016**

Statement by the Chief Finance Officer

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



Gordon Elliott

Chief Finance Officer

Transport Canberra and City Services Directorate

14 September 2016

**TERRITORY AND MUNICIPAL
SERVICES DIRECTORATE**

**CONTROLLED FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2016**

**Territory and Municipal Services Directorate
Operating Statement
For the Year Ended 30 June 2016**

	Note	Actual	Original	Actual
	No.	2016	Budget	2015
		\$'000	\$'000	\$'000
Income				
<i>Revenue</i>				
Government Payment for Outputs	4	328,651	328,180	318,687
User Charges – ACT Government	5	11,438	9,766	13,604
User Charges – Non-ACT Government	5	15,267	14,232	12,608
Interest		-	-	1
Resources Received Free of Charge	6	1,150	833	1,059
Fees and Fines	7	5,500	4,744	4,346
Other Revenue	8	10,667	748	7,101
<i>Total Revenue</i>		<u>372,673</u>	<u>358,503</u>	<u>357,406</u>
<i>Gains</i>				
Other Gains	9	130,274	107,693	115,549
<i>Total Gains</i>		<u>130,274</u>	<u>107,693</u>	<u>115,549</u>
Total Income		<u>502,947</u>	<u>466,196</u>	<u>472,955</u>
Expenses				
Employee Expenses	10	83,647	69,292	78,975
Superannuation Expenses	11	10,736	11,344	10,625
Supplies and Services	12	162,366	180,867	152,258
Depreciation and Amortisation	13	149,688	147,189	141,995
Grants and Purchased Services	14	93,382	96,795	96,598
Borrowing Costs	15	20	410	249
Other Expenses	16	24,768	255	46,826
Total Expenses		<u>524,607</u>	<u>506,152</u>	<u>527,526</u>
Operating (Deficit)		<u>(21,660)</u>	<u>(39,956)</u>	<u>(54,571)</u>
Other Comprehensive Income/(Deficit)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase/(Decrease) in the Asset Revaluation Reserve	34	38,524	-	(87,264)
Total Other Comprehensive Income/(Deficit)		<u>38,524</u>	<u>-</u>	<u>(87,264)</u>
Total Comprehensive Income/(Deficit)		<u>16,864</u>	<u>(39,956)</u>	<u>(141,835)</u>

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

The Directorate had one output class in 2015-16, therefore the 2015-16 Operating Statement shown above is the Operating Statement for Output 1 'Municipal Services'.

**Territory and Municipal Services Directorate
Balance Sheet
At 30 June 2016**

	Note	Actual	Original	Actual
	No.	2016	Budget	2015
		\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents	20	11,969	14,402	16,573
Receivables	21	8,792	7,460	7,458
Inventories	22	818	1,371	805
Assets Held for Sale	23	-	464	-
Other Assets	24	346	390	216
Total Current Assets		21,925	24,087	25,052
Non-Current Assets				
Property, Plant and Equipment	25	9,265,835	9,096,485	9,139,769
Intangible Assets	26	4,686	7,742	5,825
Biological Assets	27	28,488	26,461	26,489
Other Assets	24	-	-	1
Capital Works in Progress	28	98,159	319,839	120,485
Total Non-Current Assets		9,397,168	9,450,527	9,292,569
Total Assets		9,419,093	9,474,614	9,317,621
Current Liabilities				
Payables	29	25,965	33,857	25,112
Finance Leases	30	190	1,839	169
Employee Benefits	31	27,565	31,219	26,469
Other Provisions	32	11,167	97	-
Other Liabilities	33	2,228	1,356	1,902
Total Current Liabilities		67,115	68,368	53,652
Non-Current Liabilities				
Finance Leases	30	129	3,445	28
Employee Benefits	31	1,647	1,094	1,303
Other Provisions	32	23,212	11,831	13,386
Total Non-Current Liabilities		24,988	16,370	14,717
Total Liabilities		92,103	84,738	68,369
Net Assets		9,326,990	9,389,876	9,249,252
Equity				
Accumulated Funds	34	5,705,802	5,832,206	5,666,588
Asset Revaluation Surplus	34	3,621,188	3,557,670	3,582,664
Total Equity		9,326,990	9,389,876	9,249,252

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

The Directorate had one output class, therefore this Balance Sheet is the Balance Sheet for Output 1 'Municipal Services'.

**Territory and Municipal Services Directorate
Statement of Changes in Equity
For the Year Ended 30 June 2016**

		Accumulated	Asset	Total	Original
		Funds	Revaluation	Equity	Budget
		Actual	Surplus	Actual	2016
	Note	2016	2016	2016	2016
	No.	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015		5,666,588	3,582,664	9,249,252	9,300,488
Comprehensive Income					
Operating (Deficit)		(21,660)	-	(21,660)	(39,956)
Increase in the Asset Revaluation Surplus	34	-	44,029	44,029	-
Decrease in the Asset Revaluation					
Surplus from transfers to Other Agencies	34	5,505	(5,505)	-	-
Total Comprehensive (Deficit)/Income		(16,155)	38,524	22,369	(39,956)
Transactions Involving Owners Affecting Accumulated Funds					
Capital Injections		128,324	-	128,324	129,344
Capital Payments to ACTION		(18,871)	-	(18,871)	-
Net Assets Transferred Out as part of an Administrative Restructure	35	(54,084)	-	(54,084)	-
Total Transactions Involving Owners Affecting Accumulated Funds		55,369	-	55,369	129,344
Balance at 30 June 2016		5,705,802	3,621,188	9,326,990	9,389,876

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

**Territory and Municipal Services Directorate
Statement of Changes in Equity – Continued
For the Year Ended 30 June 2016**

		Accumulated	Asset Revaluation	Total
		Funds	Surplus	Equity
		Actual	Actual	Actual
	Note	2015	2015	2015
	No.	\$'000	\$'000	\$'000
Balance at 1 July 2014		5,832,323	3,669,928	9,502,251
Comprehensive Income				
Operating (Deficit)		(54,571)	-	(54,571)
Increase in the Asset Revaluation Surplus	34	-	23,115	23,115
Decrease in the Asset Revaluation Surplus from Transfers to Other Agencies	34	110,379	(110,379)	-
Total Comprehensive Income/(Deficit)		55,808	(87,264)	(31,456)
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections		175,160	-	175,160
Capital Payments to ACTION		(18,941)	-	(18,941)
Net Assets Transferred Out as part of an Administrative Restructure	35	(377,762)	-	(377,762)
Total Transactions Involving Owners Affecting Accumulated Funds		(221,543)	-	(221,543)
Balance at 30 June 2015		5,666,588	3,582,664	9,249,252

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

**Territory and Municipal Services Directorate
Cash Flow Statement
For the Year Ended 30 June 2016**

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Cash Flows from Operating Activities				
Receipts				
Government Payment for Outputs		233,341	229,779	220,030
Government Payments for Community Service Obligations		95,310	98,401	98,657
User Charges		26,473	23,998	23,991
Fees and Fines		5,528	4,744	4,175
Commonwealth Grants		30	-	133
Interest Received		-	-	1
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		29,344	-	37,966
Goods and Services Tax Collected from Customers		4,653	-	10,521
Other		10,732	34,707	7,578
Total Receipts from Operating Activities		405,411	391,629	403,052
Payments				
Employee		81,595	67,412	80,148
Superannuation Contributions		11,035	11,344	10,637
Supplies and Services		164,079	179,169	150,380
Grants and Purchased Services		93,382	96,795	96,598
Borrowing Costs		20	410	249
Goods and Services Tax Paid to Suppliers		30,348	-	36,530
Other		13	35,030	19
GST Input Tax Paid to the Australian Taxation Office		4,547	-	9,492
Total Payments from Operating Activities		385,019	390,160	384,053
Net Cash Inflows from Operating Activities	39	20,392	1,469	18,999
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Property, Plant and Equipment		243	-	1,133
Total Receipts from Investing Activities		243	-	1,133
Payments				
Payments for Property, Plant and Equipment		2,355	-	2,262
Payments for Capital Works in Progress		131,790	130,641	168,468
Payments for Intangibles		38	-	59
Total Payment from Investing Activities		134,183	130,641	170,789
Net Cash (Outflows) from Investing Activities		(133,940)	(130,641)	(169,656)

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

**Territory and Municipal Services Directorate
Cash Flow Statement – Continued
For the Year Ended 30 June 2016**

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Cash Flows from Financing Activities				
Receipts				
Capital Injections		128,324	146,158	175,160
Total Receipts from Financing Activities		128,324	146,158	175,160
Payments				
Repayment of Finance Lease Liabilities		156	916	1,290
Capital Payments to ACTION		18,871	16,814	18,941
Payment of Transferred Cash Balances (Administrative Arrangements)		352	-	8,570
Total Payment from Financing Activities		19,379	17,730	28,801
Net Cash Inflows from Financing Activities		108,945	128,428	146,359
Net (Decrease) in Cash and Cash Equivalents		(4,604)	(744)	(4,298)
Cash and Cash Equivalents at the Beginning of the Reporting Period		16,573	15,146	20,871
Cash and Cash Equivalents at the End of the Reporting Period	39	11,969	14,402	16,573

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

**Territory and Municipal Services Directorate
Summary of Directorate Output Classes
For the Year Ended 30 June 2016**

	Output 1 Municipal Services \$'000	Output 2 Enterprise Services \$'000	Total \$'000
2016			
Total Income	502,947	-	502,947
Total Expenses	524,607	-	524,607
Operating (Deficit)	(21,660)	-	(21,660)
2015			
Total Income	471,875	1,080	472,955
Total Expenses	526,584	942	527,526
Operating (Deficit)/Surplus	(54,709)	138	(54,571)

Territory and Municipal Services Directorate

Operating Statement for Output Class 1 – Municipal Services

For the Year Ended 30 June 2016

Description

Output Class 1: "Territory and Municipal Services" includes:

Information Services – Provision of library services to the community through Libraries ACT's branches, home library service, the ACT Virtual Library and the Heritage Library.

Roads and Sustainable Transport – Management of the ACT's road and associated assets and infrastructure. Also includes the provision of public transport services.

Waste and Recycling – Provision of domestic waste and recyclables collection services, operation of resource management and recycling centres, and implementation and evaluation of waste management programs, including household garbage and recycling.

Land Management – Planning and management of the ACT's parks, plantations, reserves and open space system including the National Arboretum Canberra and the Yarralumla Nursery. As per the administrative arrangements, National Arboretum Canberra was transferred from the Directorate to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016.

Regulatory Services – Administration of regulatory activities to protect and enhance the natural and built environment. Provision of advice, education and compliance services to Government and the community in relation to municipal ranger functions, domestic animal management, plant and animal licensing, and significant tree preservation.

Government Services – Incorporates business that provide services to ACT Government agencies and the private sector on a fee for service basis, including the Capital Linen Service.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Income			
<i>Revenue</i>			
Government Payment for Outputs	328,651	328,180	318,687
User Charges – ACT Government	11,438	9,766	12,524
User Charges – Non-ACT Government	15,267	14,232	12,608
Interest	-	-	1
Resources Received Free of Charge	1,150	833	1,059
Fees and Fines	5,500	4,744	4,346
Other Revenue	10,667	748	7,101
<i>Total Revenue</i>	372,673	358,503	356,326
<i>Gains</i>			
Other Gains	130,274	107,693	115,549
<i>Total Gains</i>	130,274	107,693	115,549
Total Income	502,947	466,196	471,875
Expenses			
Employee Expenses	83,647	69,292	78,863
Superannuation Expenses	10,736	11,344	10,615
Supplies and Services	162,366	180,867	151,587
Depreciation and Amortisation	149,688	147,189	141,846
Grants and Purchased Services	93,382	96,795	96,598
Borrowing Costs	20	410	249
Other Expenses	24,768	255	46,826
Total Expenses	524,607	506,152	526,584
Operating (Deficit)	(21,660)	(39,956)	(54,709)

Territory and Municipal Services Directorate Operating Statement for Output Class 2 – Enterprise Services For the Year Ended 30 June 2016

Description

Output Class 2: 'Enterprise Services' includes:

Government Services – ACT Property Group provide properties and facilities management services to ACT Government agencies. As per the administrative arrangements, ACT Property Group was transferred from the Directorate to the Chief Minister, Treasury and Economic Development Directorate on 7 July 2014.

	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Income			
<i>Revenue</i>			
Government Payment for Outputs	-	-	-
User Charges – ACT Government	-	-	1,080
User Charges – Non-ACT Government	-	-	-
Other Revenue	-	-	-
<i>Total Revenue</i>	-	-	1,080
<i>Gains</i>			
Other Gains	-	-	-
<i>Total Gains</i>	-	-	-
Total Income	-	-	1,080
Expenses			
Employee Expenses	-	-	112
Superannuation Expenses	-	-	10
Supplies and Services	-	-	671
Depreciation and Amortisation	-	-	149
Borrowing Costs	-	-	-
Other Expenses	-	-	-
Total Expenses	-	-	942
Operating Surplus	-	-	138

Output Class 2 'Enterprise Services' which consisted of Capital Linen Services and Yarralumla Nursery was transferred to Output Class 1 'Municipal Services'.

**Territory and Municipal Services Directorate
Controlled Statement of Appropriation
For the Year Ended 30 June 2016**

	Original Budget 2016 \$'000	Total Appropriated 2016 \$'000	Appropriation Drawn 2016 \$'000	Appropriation Drawn 2015 \$'000
Controlled				
Government Payment for Outputs (GPO) including Community Service Obligations (CSO)	328,180	337,692	328,651	318,687
Capital Injections	146,158	176,494	128,324	175,160
Total Controlled Appropriation	474,338	514,186	456,975	493,847

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

Column Heading Explanations

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement in the 2015-16 Budget Papers.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the Directorate during the year. This amount appears in the Cash Flow Statement.

Territory and Municipal Services Directorate Controlled Statement of Appropriation – Continued For the Year Ended 30 June 2016

Reconciliation of Appropriation for 2015-16

	Government Payments for Outputs 2016 \$'000	Capital Injections 2016 \$'000
Original Budget	328,180	146,158
s.14 Transfers ^a	2,800	-
s.16 Transfers ^b	(1,629)	(940)
s.16B Rollovers ^c	7,041	20,801
s.17 Variation of Appropriation ^d	-	5,275
s.18 Treasurer's Advance ^e	1,300	5,200
Total Appropriated	337,692	176,494
Undrawn Funds ^f	(9,041)	(48,170)
Total Appropriation Drawn	328,651	128,324

- a) The Government Payment for Outputs funding (\$2.8 million) was transferred from the Chief Minister, Treasury and Economic Development Directorate to the Directorate for the extension of Constitution Avenue to Vernon Circle.
- b) The Government Payment for Outputs funding (\$1.6 million) represents National Arboretum Canberra transferred to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016.
- c) The Government Payment for Outputs rollovers mainly due to delays in the Constitution Avenue Upgrade project (\$6.9 million) in 2014-15. The Capital Injections rollovers mainly relate to Majura Parkway National Partnership project (\$18.4 million) as this funding was received late in 2014-15.
- d) Variation of Appropriation mainly represents Commonwealth Government additional funding for the Roads Recovery Program.
- e) Treasurer's Advances: Government Payment for Outputs (\$1.3 million) relates to unexpected legal costs in relation to a contract dispute for North Weston Ponds (\$1.0 million) and (\$0.3 million) for increased mowing. Capital Injections (\$5.2 million) relates to the unforeseen costs for Majura Parkway Project.
- f) The Government Payment for Outputs undrawn funds relate to the funding for the Constitution Avenue Upgrade National Partnership and have been transferred to 2016-17 (\$2.8 million), electricity savings (\$0.8 million) and ACTION savings initiatives implemented in 2015-16 (\$2.8 million). The Capital Injections undrawn funds mainly relate to various capital funded projects that have been deferred to 2016-17 due to delays in the planning process which have impacted on delivery (\$20.5 million) and savings returned to Treasury from the ACTION replacement of underground storage tanks project (\$3.5 million).

Territory and Municipal Services Directorate

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For the Year Ended 30 June 2016

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Territory and Municipal Services Directorate
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**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

**NOTE 1 OBJECTIVES OF THE TERRITORY AND MUNICIPAL SERVICES
DIRECTORATE**

Operations and Principal Activities

The Territory and Municipal Services Directorate (the Directorate) plays a key role in building Canberra's environmental, social and infrastructure capital as well as administering the majority of Canberra's municipal services and public transport functions. This includes providing and managing public libraries, collecting and recycling waste and managing and maintaining the Territory's streetlights, roads, footpaths and cycling paths. As a regulator, the Directorate also ensures compliance with the Australian Capital Territory and national standards in animal welfare.

The Directorate also provides linen services, manages Yarralumla Nursery and the National Arboretum Canberra.

ACTION, Canberra's public transport provider, is also part of the Directorate and reports as a separate entity within the Directorate's Annual Report.

The Territory and Municipal Services Portfolio includes ACT Public Cemeteries Authority (the Authority). The Authority prepares separate financial statements for the Authority which are annexed to the Directorate's Annual Report.

Administrative Restructures

On 22 January 2016, the National Arboretum Canberra was transferred from the Directorate to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) through Notifiable Instrument NI2016-41 Administrative Arrangements 2016 (No 1).

Territory and Municipal Services Directorate **Notes to and Forming Part of the Financial Statements** **For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

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

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

At 30 June 2016, the Directorate's current liabilities (\$67.1m) exceeded its current assets (\$21.9m) by \$45.2m. However, this is not considered a liquidity risk as its cash needs are funded through appropriation by the ACT Government on a cash-needs basis. This is consistent with the whole-of-Government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for assets which were valued in accordance with the (re)valuation policies applicable to the Directorate during the reporting period.

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

The Directorate is an individual financial reporting entity.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(b) Controlled and Territorial Items

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

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

The basis of preparation described in Note 2(a) applies to both Controlled and Territorial financial statements except where specified otherwise.

(c) The Reporting Period

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

(d) Comparative Figures

Budget Figures

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

Prior Year Comparatives

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

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

(e) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents zero amounts or amounts rounded down to zero.

(f) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. In addition, the following criteria must also be met before revenue is recognised:

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(f) Revenue Recognition - Continued

Government Payment for Outputs

Government Payment for Outputs are recognised as revenue when the Directorate gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

Fees and Fines

Fees are either recognised as revenue at the time of receipt or when the fee is incurred. Fines are recognised as revenue on the issue of the relevant infringement notice. Where the fine attracts a penalty for late payment, the penalty amount is recognised as revenue on issue of the late payment notice.

Sale of Goods

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

Rendering of Services

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

Interest

Interest revenue is recognised using the effective interest rate method, with the exception of interest received from the Land Development Agency in relation to land sales. This revenue is calculated using an interest rate applied for the period the land is held by the Land Development Agency.

Revenue Received in Advance

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

Land Sales Revenue

The Directorate recognises revenue from land sales to the Land Development Agency when the custodianship is transferred to the Land Development Agency. Further information on land sales revenue is provided at Note 2 (af) *Significant Accounting Judgements and Estimates*.

User Charges - ACT and Non-ACT Government

User charges revenue is derived by providing goods and services to other entities. User charges revenue is not part of government appropriation and is paid by the user of the goods or services. This revenue is driven by consumer demand and is performed on a fee for service basis. User charges revenue is recognised when the goods are provided or when the fee in respect of services provided is receivable.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(g) Resources Received and Provided Free of Charge

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

(h) Contributed Assets

Assets received free of charge from the Land Development Agency, the Commonwealth, the Environment and Planning Directorate, the Chief Minister, Treasury and Economic Development Directorate and private developers are recorded as revenue at fair value in the Operating Statement under 'Other Gains'. A corresponding amount is recognised in the Balance Sheet under 'Property, Plant and Equipment'.

(i) Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

(j) Repairs and Maintenance

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

(k) Borrowing Costs

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

(l) Waivers of Debt

Debts that are waived during the year under section 131 of the FMA are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed at Note 17 *Waivers, Impairment Losses and Write-Offs* and Note 49 *Waivers, Impairment Losses and Write-Offs's – Territorial*.

(m) Current and Non-Current Items

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

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(n) Impairment of Assets

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

Any resulting impairment losses for land, buildings, leasehold improvements, infrastructure, heritage and community assets and plant and equipment are recognised as a decrease in the available Asset Revaluation Surplus relating to these classes of assets. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. Impairment losses for intangible assets are recognised in the Operating Statement, as these assets are carried at cost. The carrying amount of the impaired asset is also reduced to its recoverable amount. Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

(o) Cash and Cash Equivalents

Cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash.

(p) Receivables

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

Accrued revenue is revenue that is owed to the Directorate but has not been invoiced at the reporting date.

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

- (a) becoming aware of financial difficulties of debtors;
- (b) default payments; or
- (c) debts more than 90 days overdue unless assessed as recoverable.

Please refer to Note 2 (af) *Significant Accounting Judgements and Estimates* for further information on objective evidence of impairment for receivables.

The amount of the allowance is recognised in the Operating Statement for controlled receivables and the Statement of Income and Expenses on behalf of the Territory for Territorial receivables. The allowance for impairment losses are written-off against the allowance account when the Directorate ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(q) Assets Held for Sale

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

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less cost to sell. Assets held for sale are not depreciated.

(r) Biological Assets

The Directorate has recognised commercial softwood plantations as a biological asset in accordance with Australian Accounting Standard AASB 141: *'Agriculture'*.

Timber is classified as being either 'pre-commercial' or 'commercial'. Pre-commercial stands are less than 15 years old and are not yet suitable to be sold for commercial purposes. Commercial stands are 15 years old or greater in age and are managed to produce commercial output. 'Commercial-beyond normal' are areas within plantations that are beyond the planned rotation length in each forest.

The cost of restoring fire affected forestry land is expensed throughout the year. At the end of each reporting period expenditure is assessed and, where appropriate, the relevant expenditure is capitalised.

The commercial plantation's fair value was determined using estimated stand volume (the volume of timber in a stand of trees) from growth plot measurements, and applying the proportional split of the product mix, and the values of the individual products.

The pre-commercial plantation's fair value was estimated as aggregated establishment costs and management costs.

(s) Inventories

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

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

Inventories held for distribution are materials or supplies to be consumed in the production process or in the rendering of services at no or nominal consideration, and are measured at cost, adjusted for any loss of service potential.

As part of the ACT Government's land release program the Directorate transfers unleased rural land to the Land Development Agency for development purposes. Unleased rural land is classified as inventory in the Territorial financial statements.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Property, plant and equipment is initially recorded at cost.

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

Property, plant and equipment with a value of \$5,000 or greater, including groupings of like assets, is capitalised.

(u) Measurement of Property, Plant and Equipment After Initial Recognition

Property, plant and equipment is valued using the fair value model.

Property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses.

Fair value is measured using market based evidence available for that asset (or a similar asset), as this is the best evidence of an asset's fair value. Where the market price of an asset cannot be obtained because the asset is specialised and rarely sold, depreciated replacement cost is used as the fair value.

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

Fair value for buildings, infrastructure assets, leasehold improvements and some heritage and community assets is measured by reference to the cost of replacing the remaining future economic benefits embodied in the asset (the cost approach) i.e. the current replacement cost of an asset less accumulated depreciation calculated on the basis of such costs to reflect the already consumed economic benefits, expired economic benefits or obsolescence of the asset.

Fair value for plant and equipment assets is predominately measured using the cost approach. Mobile assets including vehicles, mowers, trailers and boats are measured using the market approach.

The fair value for land under roads (which is part of the heritage and community asset class) is measured using the 'Statutory Land Value' method. Under this method, a value per square metre of land is estimated by dividing the total unimproved value of rateable land in the Territory by the total area of the Territory.

For other heritage and community assets, fair value is measured using the market approach valuation technique.

Land, buildings, infrastructure assets, plant and equipment, leasehold improvements and heritage and community assets are re-valued every three years. However, if at any time, the Directorate considers that the carrying amount of an asset materially differs from its fair value, then the asset will be re-valued regardless of when the last valuation took place.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(v) Intangible Assets

The Directorate's Intangible Assets comprise of internally generated software for internal use. Internally generated software is recognised and recorded as an asset when:

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

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life. Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

(w) Depreciation and Amortisation of Non-Current Assets

Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment.

Land, road earthworks (which are a component of roads assets included within the infrastructure asset class) and some heritage and community assets have an unlimited useful life and are therefore not depreciated.

Leasehold improvements and plant and equipment under a finance lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

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

Depreciation and amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Land and Buildings ^a	Straight Line	40
Leasehold Improvements	Straight Line	10
Plant and Equipment	Straight Line	3-50
Infrastructure	Straight Line	10-100
Internally Generated Intangibles	Straight Line	1-5
Heritage and Community Assets	Straight Line	5-100

a) Land restoration is part of the Land and Buildings Asset class.

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

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(x) 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. Amounts are normally settled within 30 days of the invoice date, within 30 days of the receipt of goods and services, or within agreed payment terms.

Payables include trade payables, accrued expenses and other payables.

(y) Interest Bearing Liabilities

Interest-bearing liabilities are a financial liability measured at fair value when initially recognised and at amortised cost subsequent to initial recognition, with any adjustments to the carrying amount being recorded in the Operating Statement. The associated interest expense is recognised in the reporting period in which it occurs.

(z) Leases

The Directorate has entered into finance leases and operating leases.

Finance Leases

Finance leases are initially recognised as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments each being determined at the inception of the lease. The rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease. Assets under a finance lease are depreciated on a straight-line basis over the shorter of the assets' useful life and lease term. The depreciation is calculated after first deducting any residual values which remain for each leased asset. Each lease payment is allocated between interest expense and a reduction of the lease liability. Lease liabilities are classified as current and non-current.

Operating Leases

An operating lease does not effectively transfer to the Directorate substantially all the risks and rewards incidental to ownership of the asset(s) to which the operating lease relates. Operating lease payments are recorded as an expense in the Operating Statement on a straight-line basis over the term of the lease.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(z) Leases - Continued

Motor Vehicle Leasing Arrangements 2014-15

Changes were made to the whole-of-government motor vehicle leasing arrangements with SG Fleet as a result of which all such leases were classified as operating leases rather than finance leases from 23 April 2015. The leased vehicles held as Property, Plant and Equipment (under the previous finance lease arrangement with SG Fleet) were derecognised and the associated loss on the derecognition of the leased vehicle assets reflected under Other Expenses in 2014-15 (refer to Note 16 *Other Expenses*). The corresponding finance lease liability (current and non-current) was also derecognised and the associated gain from the derecognition of the liability reflected under Other Gains (refer to Note 9 *Other Gains*).

(aa) Employee Benefits

Employee benefits include:

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

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

Wages and Salaries

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

Annual and Long Service Leave

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

Annual leave liabilities have been estimated on the assumption they will be wholly settled within three years. At 30 June 2016, the rate used to estimate the present value of future annual leave payments is 101.4% (101.0% at 30 June 2015).

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(aa) Employee Benefits - Continued

At 30 June 2016, the rate used to estimate the present value of future payments for long service leave is 114.7% (104.2% at 30 June 2015). The use of a higher rate has resulted in an increase of \$1.8 million to the long service leave liability and related expense.

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

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

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

(ab) Superannuation

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

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice.

The CSS, PSS and PSSAP are all closed to new employees.

The total Territory superannuation liability for the CSS and PSS is recognised in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account and the CSC and the external schemes recognise the superannuation liability for the PSSAP and other schemes respectively. This superannuation liability is not recognised at individual agency level.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ab) Superannuation - Continued

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

(ac) Equity Contributed by the ACT Government

Contributions made by the ACT Government, through its role as owner of the Directorate, are treated as contributions of equity. This usually takes the form of capital injections for capital works.

Increases or decreases in net assets as a result of changes to the ACT Government administrative arrangements are also recognised in equity.

(ad) Insurance

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

(ae) Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts

Explanations of major variances between the 2015-16 original budget and the 30 June 2016 actual results are discussed in Notes 41 *Budgetary Reporting - Explanations of Major Variances between Actual Amounts* and 58 *Budgetary Reporting - Territorial - Explanations of Major Variances between Actual Amounts*.

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

(af) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Directorate has made the following estimates that have the most significant impact on the amounts recorded in the financial statements:

- (1) *Assets received from ACT Government agencies*: Assets received from ACT Government agencies totalling \$119.2 million (2014-15 \$82.3 million) are disclosed in Note 9 *Other Gains* and predominantly relate to completed infrastructure assets transferred to the Directorate for management and maintenance. However, as formal asset acceptance, which usually includes verification of physical assets to work as executed drawings, can take more than 12 months, the inclusion of these assets into a revaluation process can be delayed. Given this delay, the assets are valued and recorded in the financial statements for the intervening period based on advice from the transferring agencies.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(af) Significant Accounting Judgements and Estimates - Continued

- (2) *Infrastructure, Plant and Equipment, Leasehold Improvements and Heritage and Community Assets:* Infrastructure assets totalling \$6,850.4 million (2014-15 \$6,692.9 million), plant and equipment assets totalling \$35.8 million (2014-15 \$43.3 million), leasehold improvements totalling \$0.3 million (2014-15 \$0.2 million) and heritage and community assets totalling \$2,247.1 million (2014-15 \$2,255.3 million) are predominately valued based on depreciated replacement cost by writing-down gross replacement values to take into account the age of assets. When valuing assets using depreciated replacement cost, the Directorate estimates the cost of components based on a variety of external inputs, which including the engineering advice, industry index and recent internal capital works projects and assumes all assets within each class are constructed in an identical manner. The age of the assets is predominantly based on the age of the suburb in which they are located. Asset valuations are conducted using quantity data which is obtained from the Directorates Integrated Asset Management System. This data is continually updated as the additional assets are added to the Directorates balance sheet, mainly through contributed assets or completed capital works in progress. There are timing differences between the financial transfer of these assets and the addition of the associated quantity data into the Integrated Asset Management System. This data is also being continually updated and refined through ongoing inspections and audits of existing asset holdings.
- (3) *Land and Buildings:* Land and buildings totalling \$132.3 million (2014-15 \$148.1 million) are valued on a fair value basis by Egan National Valuers (ACT). Land was valued using market based evidence by appraisal. 4,309 hectares of unleased rural land was valued for the first time in 2015-16. This land was valued using the same methodology used in the external valuation process for land in 2014-15. The value per square meter for nature reserves land at 30 June 2015 was applied to the unleased rural land. Buildings were valued using the depreciated replacement cost method.
- (4) *Land Under Roads:* The Directorate has made a significant judgement in determining the fair value of land under roads (heritage and community assets). The Australian Valuers-General have issued a guidance note on the valuation method applicable for land under roads. This guidance states that 'Statutory Land Value' is the most feasible and efficient base for valuing land under roads.

In applying this Statutory Land Value Method, the fair value for land under roads is measured on an unimproved rateable land valuation basis. Under this method a value per square metre of land is estimated by dividing the total unimproved value of rateable land in the Territory by the total area of the Territory. Further information on this estimate is provided in Note 2 (u) *Measurement of Property, Plant and Equipment after Initial Recognition*.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(af) Significant Accounting Judgements and Estimates – Continued

- (5) *Estimation of Useful Lives of Property, Plant and Equipment:* The Directorate has made a significant estimate in determining the useful lives of property, plant and equipment. The estimate has been based on the historical experience of similar assets and in some cases has been based on valuations provided by the Rodney Hyman Asset Services Pty Ltd and Egan National Valuers (ACT) or estimates from officers of the Directorate. The useful lives are reviewed on an annual basis and any adjustments are made when considered necessary.
- (6) *Employee Benefits:* Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019.
- (7) *Biological Assets:* Plantation Growing Stock values have been determined through an independent valuation performed by expert forestry consultants Dr John Turner (Member, Institute of Foresters of Australia) and Marcia J. Lambert, from Forsci Pty Ltd using an estimate of the sustainable yield of the plantations determined by the professional judgement and expertise of Directorate officers. Pre-commercial stock is valued using the average establishment cost of each forest plus an annual maintenance cost per hectare and a compound annual interest rate of 6%. Commercial stock is valued using statistical estimation of grade, age, class, volume, site characteristics and other key attributes based on the following key assumptions:
- (a) Product distributions within the standing timber volumes are based on historic distributions; and
 - (b) Prices for products are based on agreed sale prices with mills, after deducting harvesting and transport costs.
- (8) *Impairment of Assets:* Assets are assessed for impairment having regard to a number of factors including obsolescence, future continuing use and physical damage based on management assessment.
- (9) *Provision for Restoration of Waste Landfill Sites:* The provisions are calculated by determining expected future cash flows associated with the restoration works. The expected restoration and remediation date for both the Mugga Lane Landfill and the decommissioned Belconnen Landfill is the year 2020.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(af) Significant Accounting Judgements and Estimates – Continued

(10) *Allowance for Impairment Losses:* The allowance for impairment losses on receivables principally relates to ACT NoWaste debtors and debtors arising from damage to street and traffic lights. Objective analysis of all debts has been undertaken and as a result all debts, except Government debtors, greater than 90 days outstanding have been included in the allowance for impaired receivables. Amounts not collected within one year are written off unless assessed as recoverable.

(11) *Contingent Liability – Contaminated Sites:* The Directorate owns 175 (175 at 30 June 2015) pieces of land which have been identified as being contaminated. Whilst there is no present obligation to remediate these sites, a contingent liability reflecting possible future costs has been estimated. This estimate is based on costs incurred for restoring similar sites in previous years.

(12) *Accrued Land Sales Revenue:* The Directorate has accrued land sales revenue based on an estimate by the LDA. The Directorate makes englobo land sales (undeveloped land able to be subdivided) to the LDA to enable the LDA to either develop and sell the land to the public or on-sell the land to private sector developers. The Directorate recognises revenue from land sales to the LDA when the custodianship is transferred to LDA.

Revenue from land sales is measured at the fair value of the consideration received as assessed by an independent valuation.

(13) *Interest on Land Sales:* The Directorate has recognised interest on land sales based on an estimate by the LDA of the total land sales for the year, an estimated holding period of 12 months and an interest rate of 6.5%.

(14) *Budgetary Reporting - Explanation of Major Variances between Actual Amounts and Original Budget Amounts:* Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Notes 41 *Budgetary Reporting - Explanations of Major Variances between Actual Amounts* and 58 *Budgetary Reporting - Territorial – Explanations of Major Variances between Actual Amounts*. Variances are considered to be major variances if both of the following criteria are met:

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

Further information on this is provided in Note 2(ae) *Budgetary Reporting - Explanations of Major Variances between Actual Amounts and Original Budget Amounts*.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ag) Accounting Standards Adopted Early for the 2015-16 Reporting Period

AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* and AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-For-Profit Public Sector Entities* have been early adopted for the 2015-16 reporting period, even though the standards are not required to be applied until annual reporting periods beginning on or after 1 July 2016.

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

(ah) Impact of Accounting Standards Issued but yet to be Applied

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Directorate does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date. The Directorate only discloses those standards and amending standards that are expected to have a material impact or where the impact has not yet been assessed.

- AASB 9 Financial Instruments (December 2014) (application date 1 January 2018);

This standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*. The main impact of AASB 9 is that it will change the classification, measurement and disclosures of the Directorate's financial assets. No material financial impact on the Directorate is expected.
- AASB 15 Revenue from Contracts with Customers (application date 1 January 2018);

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

Territory and Municipal Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ah) Impact of Accounting Standards Issued but yet to be Applied - Continued

- AASB 16 Leases (application date 1 January 2019);

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

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (application date 1 January 2018);

This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 9 in December 2010. No material financial impact on the Directorate is expected.

- AASB 2014-1 Amendments to Australian Accounting Standards – Part E Financial Instruments [AASB 1, 3, 4, 5,7,9 (December 2009), 9 (December 2010), 101, 102, 108, 112, 118, 120, 121, 132, 136, 137,139, Interpretation 2, 5,10, 12, 16, 19, and 107] (application date 1 January 2018);

Part E of this standard defers the application of AASB 9 to 1 January 2018. No material financial impact on the Directorate is expected.

- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 [AASB 1, 3, 4, 9 (December 2009) (December 2010), 101, 102, 112, 116, 132, 134, 137, 138, 139, 140, 1023, 1038, 1039, 1049, 1053, 1056, Interpretation 12, 127, 132, 1031, 1038 & 1052] (application date 1 January 2018);

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

- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) [AASB 1, 2, 3, 4, 5, 7, 13, 101, 102, 108, 110, 112, 120, 121, 123, 128, 132, 133, 136, 137, 139, 1023, 1038, 1049, Interpretation 2, 5, 10, 12, 16, 19 &127] (application date 1 January 2018);

This standard makes consequential amendments to a number of standards and interpretations as a result the issuing of AASB 9 (December 2014). No material financial impact on the Directorate is expected.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ah) Impact of Accounting Standards Issued but yet to be Applied - Continued

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

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

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

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

- AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 (application date 1 January 2016);

This standard defers the application date of amendments to AASB 10 and AASB 128 that were made in AASB 2014-10, Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, from 1 January 2016 to 1 January 2018.

There is no material financial impact on the Directorate.

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (application date 1 January 2017);

This standard amends AASB 107 Statement of Cash Flows to require agencies preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

This standard relates to disclosure only and there is no material financial impact on the Directorate.

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

The Directorate has not yet assessed the impact of this standard.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

**NOTE 3 CHANGE IN ACCOUNTING POLICY, ACCOUNTING ESTIMATES,
CORRECTION OF PRIOR PERIOD ERROR**

Change in Accounting Policy

The Directorate had no changes in Accounting Policy during the reporting period.

Change in Accounting Estimates

The Directorate had no changes in Accounting Estimates during the reporting period.

Correction of Prior Period Errors

As disclosed in Note 2 (af) '*Accrued Land Sales Revenue*', the Directorate has accrued land sales revenue based on an estimate by the LDA. Land sales revenue was previously recognised when the land is sold by the LDA to third parties. With the impact of LDA's accounting policy change the Directorate recognises the revenue from land sales to the LDA when the custodianship is transferred to LDA. The change in the timing of recognising the land sale has led to misstatement in the Directorate's Territorial financial statements. The Directorate has reviewed all land sales during the periods presented in its Territorial financial statements and has restated the comparatives.

As the correction affects a reporting period prior to the comparative period, the Statement of Income and Expenses on Behalf of the Territory for the year ended 30 June 2014 was restated as follows:

- Land sales revenue was increased by \$142,584,502 to record land sales to the LDA that had not previously been recorded in the Statement of Income and Expenses on Behalf of the Territory, and
- Payments to the Territory banking account were increased by \$142,584,502 to recognise the funds collected from land sales that had not previously been recorded in the Statement of Income and Expenses on Behalf of the Territory.

The Statement of Assets and Liabilities on Behalf of the Territory at 30 June 2014 was restated as follows:

- Accrued revenue was increased by \$142,584,502 to reflect the land sales to LDA that had not previously been recorded, and
- Accrued expenses were increased by \$142,584,502 to recognise an obligation to the Territory banking account for the land sales.

In addition, the Statement of Income and Expenses on Behalf of the Territory for the year ended 30 June 2015 was restated as follows:

- Land sales revenue was decreased by \$27,894,182 to record land sales to the LDA that had not previously been recorded in the Statement of Income and Expenses on Behalf of the Territory, and
- Payments to the Territory banking account were decreased by \$27,894,182 to recognise the funds collected from land sales that had not previously been recorded in the Statement of Income and Expenses on Behalf of the Territory.

The Statement of Assets and Liabilities on Behalf of the Territory at 30 June 2015 was restated as follows:

- Accrued revenue was increased by \$114,690,320 to reflect the land sales to LDA that had not previously been recorded, and
- Accrued expenses were increased by \$114,690,320 to recognise an obligation to the Territory banking account for the land sales.

There is no impact on the Operating Surplus or Net Assets in the Territorial financial statements.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

**NOTE 3 CHANGE IN ACCOUNTING POLICY, ACCOUNTING ESTIMATES,
CORRECTION OF PRIOR PERIOD ERROR – CONTINUED**

Correction of Prior Period Errors - Continued

30 June 2015 Comparative year

Financial Statement Line Item\Balance Affected	Note No.	Actual 2015 \$'000	Correction of Error Adj \$'000	Restated Actual 2015 \$'000
Operating Statement (Extract)				
Income				
<i>Revenue</i>				
Land Sales Revenue	44	45,133	(27,894)	17,239
<i>Total Revenue</i>		64,270	(27,894)	36,376
Total Income		64,270	(27,894)	36,376
Expenses				
Transfer to Government	47	64,249	(27,894)	36,355
Total Expenses		64,270	(27,894)	36,376
Operating Surplus/(Deficit)		-	-	-
Balance Sheet (Extract)				
Current Assets				
Receivables	51	3,274	114,690	117,964
Total Current Assets		3,274	114,690	117,964
Total Assets		3,274	114,690	117,964
Current Liabilities				
Payables	53	3,274	114,690	117,964
Total Current Liabilities		3,274	114,690	117,964
Net Assets		-	-	-
Equity				
Accumulated Funds		-	-	-
Total Equity		-	-	-

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

**NOTE 3 CHANGE IN ACCOUNTING POLICY, ACCOUNTING ESTIMATES,
CORRECTION OF PRIOR PERIOD ERROR – CONTINUED**

Correction of Prior Period Errors - Continued

1 July 2014 (Comparative year opening balances)

Financial Statement Line Item\Balance Affected	Note No.	Actual 2014 \$'000	Correction of Error Adj \$'000	Restated Actual 2014 \$'000
Operating Statement (Extract)				
Income				
<i>Revenue</i>				
Land Sale Revenue	44	49,953	142,585	192,538
<i>Total Revenue</i>		67,180	142,585	209,765
Total Income		67,180	142,585	209,765
Expenses				
Transfer to Government	47	67,010	142,585	209,595
Total Expenses		67,180	142,585	209,765
Operating Surplus/(Deficit)		-	-	-
Balance Sheet (Extract)				
Current Assets				
Receivables	51	23,312	142,585	165,897
Total Current Assets		23,312	142,585	165,897
Total Assets		23,312	142,585	165,897
Current Liabilities				
Payables	53	23,312	142,585	165,897
Total Current Liabilities		23,312	142,585	165,897
Net Assets		-	-	-
Equity				
Accumulated Funds		-	-	-
Total Equity		-	-	-

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 4 GOVERNMENT PAYMENT FOR OUTPUTS

Government Payment for Outputs (GPO) is revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government Payment for Outputs is drawn down on a 'just in time basis' consistent with the ACT Government's cash management framework.

Community Service Obligations (CSO) are received by the Directorate in relation to ACTION, ACT Forests and Yarralumla Nursery.

	2016	2015
	\$'000	\$'000
Revenue from the ACT Government		
Government Payment for Outputs ^a	233,341	220,030
Government Payment for Community Service Obligations ^b	95,310	98,657
Total Government Payment for Outputs	328,651	318,687

a) The increase in Government Payment for Outputs represents the transfer of funds from 2014-15 to 2015-16 due to delays in the Constitution Avenue upgrade project.

b) The CSO payment includes payments to ACTION of \$92.64m to operate network services; payments to ACT Forests of \$2.39m for the provision of public use areas within ACT Forests. The decrease is due to corporate functions transferred from ACTION and the savings generated from ACTION returned to Treasury.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 5 USER CHARGES

User charges revenue is derived by providing goods and services to other ACT Government agencies and to the public. User charge revenue is not part of ACT Government appropriation and is paid by the users of the goods or services. This revenue is driven by consumer demand and is performed on a fee for service basis.

Sale of goods and services largely relates to Capital Linen Service, Yarralumla Nursery and Tidbinbilla Precinct.

	2016	2015
	\$'000	\$'000
User Charges - ACT Government		
Sale of Goods	9	17
Rendering of Services	11,283	12,708
Rent from Tenants	146	879
Total User Charges - ACT Government	11,438	13,604
User Charges - Non-ACT Government		
Sale of Goods ^a	4,549	2,569
Rendering of Services	10,012	9,336
Rent from Tenants	706	703
Total User Charges - Non-ACT Government	15,267	12,608
Total User Charges for Goods and Services	26,705	26,212

a) The increase in sale of goods is mainly due to higher timber sales as a result of revised contractual arrangements and improved returns on product sold.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 6 RESOURCES RECEIVED FREE OF CHARGE

	2016 \$'000	2015 \$'000
Revenue from ACT Government Entities		
Justice and Community Safety Directorate - Legal Services ^a	722	638
Emergency Services Agency - Support Charges	390	391
Territory Records - Public Access Provision	38	-
ACT Property Group - Property Rental	-	30
Total Resources Received Free of Charge	1,150	1,059

a) Legal services have increased from last year largely due to legal requirements relating to the Legislation Amendment Bills for Waste Management and Resource Recovery and the *Animal Welfare Act*.

NOTE 7 FEES AND FINES

Fees and Fines ^a	5,500	4,346
Total Fees and Fines	5,500	4,346

a) Fees and fines largely consist of fees related to waste disposal fees and revenues raised under the *Roads and Public Places Act 1937* and the *Public Unleased Land Act 2013*. The increase is due to a land use fee in Dickson, waste disposal fees from domestic loads and Queanbeyan City Council.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 8 OTHER REVENUE

Other Revenue arises from the core activities of the Directorate and is distinguished from other gains, as other gains are items that are not part of core activities of the Directorate.

	2016	2015
	\$'000	\$'000
Revenue from ACT Government Entities		
Other Recoveries ^a	598	1,149
Insurance Recoveries ^b	405	921
Acceptance fee for contaminated waste ^c	2,299	1,741
Other ^d	3,627	106
Total Other Revenue from ACT Government Entities	6,929	3,917
Revenue from Non-ACT Government Entities		
Commonwealth Government Grants	31	150
Other Recoveries ^a	197	1,326
Sponsorship	-	11
Acceptance fee for contaminated waste ^c	2,797	1,314
Other ^d	713	383
Total Other Revenue from Non-ACT Government Entities	3,738	3,184
Total Other Revenue	10,667	7,101

- a) The decrease in other recoveries is mainly due to the completion of the ACT Government's Carbon Neutral Fund for Energy Efficiency projects at Ron Reynolds Centre in 2014-15 and Fuel Tax Credits for prior years being received in 2014-15 financial year.
- b) Insurance recoveries were received from the ACT Insurance Authority (ACTIA) relating to both asset damages and public liability claims. The decrease is mainly due to lower insurance claims in 2015-16.
- c) The increase in acceptance fees for contaminated waste is mainly due to increased activity from the private sector.
- d) The increase in other revenue mainly represents revenues received from the Land Development Agency for stormwater remediation works and a contribution from the external stakeholders in relation to the Mugga Lane waste disposal sites works.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 9 OTHER GAINS

Other gains refer to income which is not part of the Directorate's core activities, and mainly include assets transferred from private developers and other ACT Government entities and profit on sale of assets. Other gains are distinct from other revenue, as other revenue arises from the core activities of the Directorate.

	2016	2015
	\$'000	\$'000
Assets Received from Private Developers ^a	6,798	28,137
Initial Recognition of Land from the Commonwealth ^b	2,154	-
Assets Received from ACT Government Agencies ^c	119,206	82,331
Net Gain on Sale of Assets	44	255
Gain from Derecognition of Finance Lease Liability ^d	-	4,633
Gains from the Revaluation of Biological Assets ^e	1,999	32
Donations	4	61
Other	69	100
Total Other Gains	130,274	115,549

- a) The assets received from private developers represent the value of infrastructure assets received from private developers. These assets include roads, bridges, stormwater assets, footpaths, car parks, streetlights and paving and scheduling of asset transfers is dependent on private sector developers.
- b) Initial Recognition of Land from the Commonwealth represents 4,309 hectares received from the Commonwealth.
- c) The increase in assets received from ACT Government agencies is mainly due to Roads infrastructure assets transferred from the Chief Minister, Treasury and Economic Development Directorate.
- d) The gain from derecognition of lease vehicle liabilities in 2014-15 was in accordance with the whole-of-government vehicle leasing arrangements, which took effect last year on 23 April 2015. The net impact of the gross loss of \$4.4 million on the derecognition of the leased vehicles (refer to Note 15: *Other Expenses*) and the gross gain of \$4.6 million on the derecognition of the finance lease liability (refer to Note 9: *Other Gains*) was a net gain of \$0.2 million. Note 2(z): *Significant Accounting Policies* – leases also refers.
- e) The biological assets are revalued annually (refer to Note 26 *Biological Assets*) and the increase is the result of the price increases for the sale of timber.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 10 EMPLOYEE EXPENSES

	2016	2015
	\$'000	\$'000
Wages and Salaries ^a	68,540	67,037
Annual Leave Expense	5,327	4,945
Long Service Leave Expense ^b	4,900	1,677
Workers' Compensation Insurance Premium	4,189	4,403
Termination Expense	341	535
Other Employee Benefits and On-Costs	350	378
Total Employee Expenses	83,647	78,975

- a) The increase in wages and salaries is mainly due to corporate functions transferred from ACTION and pay rises under the Enterprise Agreements.
- b) Long service leave expense has increased due largely to an increase in the rate used to estimate long service leave liabilities from 104.2% to 114.7% and staff transferred from ACTION to the public transport branch in the Directorate. The use of a higher rate has resulted in an increase of \$1.8 million to the long service leave liability and related expense.

NOTE 11 SUPERANNUATION EXPENSES

Superannuation Contributions to the Territory Banking Account	5,509	5,728
Productivity Benefit	832	892
Superannuation Payment to Commonwealth Superannuation Corporation (for the PSSAP)	312	339
Superannuation to External Providers	4,083	3,666
Total Superannuation Expenses	10,736	10,625

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 12 SUPPLIES AND SERVICES

	2016	2015
	\$'000	\$'000
Repairs and Maintenance (e.g. parks, roads and property) ^a	51,835	49,647
Building and Facilities Operating Costs ^b	16,767	19,897
Professional Services (e.g. contractors and consultants) ^c	47,512	41,587
Information Technology and Telecommunications	10,547	11,600
Consumables	6,135	6,665
Insurance	6,449	6,696
Communication, Printing and Publication	1,246	1,264
Operating Lease Costs ^d	7,588	5,341
Finance, Procurement and Human Resources Charges	4,156	4,230
Cost of Goods Sold	950	877
Legal Costs ^e	2,039	1,157
Other Human Resource Costs	1,366	1,217
Staff Development and Training	1,116	891
Membership and Associations	228	324
Bank Fees and Charges	29	265
Travel Expenses	138	126
Other Supplies and Services ^f	1,026	474
Contribution to Projects ^g	3,239	-
Total Supplies and Services	162,366	152,258

- a) The increase in repairs and maintenance mainly relates to the stormwater remediation works conducted in 2015-16.
- b) The decrease in building and facilities operating costs reflects lower costs from new procurement contracts in the area of water and electricity supply.
- c) The increase in professional services is due to the increases in ACT NoWaste contract management costs and forestry harvesting agreement costs.
- d) The increase in operating lease costs is due to a change in the whole of government vehicle leasing arrangements with SG Fleet on 23 April 2015, all such leases for the Directorate are classified as operating leases.
- e) The increase in legal costs is mainly related to a contract dispute for North Weston Ponds.
- f) The increase in other supplies and services mainly relates to the service agreements charges paid to Access Canberra in relation to the handling and customer services charges.
- g) Contribution to projects mainly represents the stormwater remediation works contributed return to the LDA.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 13 DEPRECIATION AND AMORTISATION

	2016 \$'000	2015 \$'000
Depreciation		
Land Restoration	282	282
Buildings	2,420	2,640
Infrastructure Assets ^a	134,154	127,653
Plant and Equipment	7,998	8,229
Heritage and Community Assets ^b	3,331	2,541
Leasehold Improvements	85	168
Total Depreciation	148,270	141,513
Amortisation		
Intangible Assets - Internally Generated Software ^c	1,418	482
Total Amortisation	1,418	482
Total Depreciation and Amortisation	149,688	141,995

- a) The increase in depreciation for infrastructure assets is due to the full year impact of asset revaluations increment in 2014-15 and additions from work in progress and transfers from other agencies in 2014-15 and 2015-16.
- b) The increase in depreciation for heritage and community assets is due to the full year impact of the revaluation increment of library materials in 2014-15.
- c) The increase in depreciation for intangible assets is due to the capitalisation of the real time passenger information system in 2014-15. This system is use to support the ACTION bus services.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 14 GRANTS AND PURCHASED SERVICES

Grants are amounts provided to ACT Government agencies and non-ACT Government agencies for general assistance or for a particular purpose. Grants may be for capital, current or recurrent purposes and are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

Purchased services are amounts paid to obtain services from other ACT Government agencies and external parties.

	2016	2015
	\$'000	\$'000
Payments to Service Providers - ACTION ^a	92,639	95,993
Grants to Community Organisations	743	605
Total Grants and Purchased Services	93,382	96,598

- a) The decrease in the payments to ACTION is a result of the transfer of some functions from ACTION to the public transport branch in the Directorate and the savings initiatives implemented in 2015-16.

NOTE 15 BORROWING COSTS

	1	2
	19	247
Total Borrowing Costs	20	249

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 16 OTHER EXPENSES

	2016	2015
	\$'000	\$'000
Expensing of Capital Works in Progress ^a	24,303	39,424
Transfer of Assets to ACT Government Agencies	133	318
Net Loss on Disposal of Assets ^b	181	2,159
Loss on Derecognition of Motor Vehicles under a Finance Lease ^c	-	4,488
Inventory Write Downs and Stock Losses (see Note 17)	75	61
Waivers, Impairment Losses and Write-Offs (see Note 17)	63	224
Loss on Revaluation of Leasehold Improvements	-	133
Other	13	19
Total Other Expenses	24,768	46,826

- a) Expensing of capital works in progress includes the expensing of completed works that did not meet the capitalisation requirements. Major items expensed include landscaping and utility diversions for Majura Parkway. The decrease is mainly due to less payments for capital works in progress in 2015-16.
- b) Net loss on disposal of assets in 2014-15 was mainly due to a write-off of irrigation systems (\$1.8m).
- c) The loss on derecognition of lease vehicles in 2014-15 was in accordance with the whole-of-government vehicle leasing arrangements which took effect on 23 April 2015. The net impact of the gross loss of \$4.4 million on the derecognition of the leased vehicles and the gross gain of \$4.6 million on the derecognition of the finance lease liability (refer to Note 8 *Other Gains*) was a net gain of \$0.2 million. Also refer to Note 2(z) *Significant Accounting Policies – Leases*.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 17 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Under Section 131 of the *Financial Management Act 1996* the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. In 2014-15 and 2015-16 there were no debt waivers.

A waiver is the relinquishment of a legal claim to a debt. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Directorate to recover the amount. The write-off of debts may occur for reasons other than waivers.

The impairment losses and write-offs listed below have occurred during the reporting period for the Directorate.

	2016		2015	
	No.	\$'000	No.	\$'000
Impairment Losses from Receivables				
Trade Receivables	-	-	-	-
<i>Total Impairment Losses from Receivables</i>	-	-	-	-
Total Impairment Losses	-	-	-	-
Write-Offs				
Losses or Deficiencies in Public Monies	-	-	24	1
Irrecoverable Debts ^a	277	63	91	223
Inventory Write Downs and Stock Losses ^b	-	75	-	61
Total Write-Offs	277	138	115	285
Total Waivers, Impairment Losses and Write-Offs	277	138	115	285

a) The decrease in the write-off of irrecoverable debt mainly relates to Roads ACT (damage to infrastructure assets). The debt is assessed as either uneconomical to be pursued or unable to be recovered.

b) The inventory write downs relates to Yarralumla Nursery.

NOTE 18 ACT OF GRACE PAYMENTS

There were no Act of Grace Payments made during the current or previous reporting periods pursuant to section 130 of the *Financial Management Act 1996*.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 19 AUDITOR'S REMUNERATION

The Auditor's remuneration consists of financial statements audit services provided to the Directorate by the ACT Audit Office to conduct the financial statements audit.

Other services provided by the ACT Audit Office relates to the audits of Commonwealth grant acquittals.

	2016 \$'000	2015 \$'000
Audit Services		
Audit Fees Paid or Payable to the ACT Audit Office	222	257
Other Audit Services Provided by the ACT Audit Office	-	24
Total Audit Services	222	281
Total Auditor's Remuneration	222	281

NOTE 20 CASH AND CASH EQUIVALENTS

The Directorate holds a number of bank accounts with the Westpac Banking Corporation as part of the whole-of-government banking arrangement. The Directorate does not receive any interest on these accounts.

Cash on Hand	16	17
Cash at Bank ^a	11,953	16,556
Total Cash and Cash Equivalents	11,969	16,573

- a) The decrease in cash at bank is mainly due to the payments associated with the capital works invoices in relation to the Constitution Avenue and the Majura Parkway.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 RECEIVABLES

	Note	2016 \$'000	2015 \$'000
Current Receivables			
Trade Receivables ^a		3,649	4,788
Less: Allowance for Impairment Losses		(325)	(473)
		3,324	4,315
Other Receivables		19	81
Receivables	36	3,343	4,396
Accrued Revenue ^b		2,623	1,117
Net Goods and Services Tax Receivable		2,826	1,945
Total Current Receivables		8,792	7,458
Total Receivables		8,792	7,458

a) The decrease in trade receivables is mainly due to timing of the payment of invoices from customers.

b) The increase in accrued revenue is mainly due to a delay of the asbestos removal recoveries from the taskforce through the Chief, Minister, Treasury and Economic Development Directorate.

Ageing of Receivables

	Not Overdue		Overdue		Total
		Less than 30 Days ^b	30 to 60 Days ^b	Greater than 60 Days ^b	
	\$'000	\$'000	\$'000	\$'000	
2016					
Not Impaired ^a					
Receivables	8,165	368	45	214	8,792
Impaired					
Receivables	-	-	-	325	325
2015					
Not Impaired ^a					
Receivables	6,004	894	64	496	7,458
Impaired					
Receivables	-	-	-	473	473

a) 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables).

b) Overdue receivables represent the waste acceptance fees and linen services from the customers and individuals claims for damages to streetlight and traffic lights.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 21 RECEIVABLES – CONTINUED

	2016	2015
	\$'000	\$'000
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	(473)	(617)
Additional Allowance Recognised	(222)	(296)
Reduction in Allowance from Amounts Recovered	217	284
Reduction in Allowance from Amounts Written off	153	106
Transferred out as part of Administrative Arrangements	-	50
Allowance for Impairment Losses at the End of the Reporting Period	(325)	(473)
Classification of ACT Government/Non-ACT Government Receivables		
Receivables from ACT Government Entities		
Net Trade Receivables	1,128	1,704
Other Receivables	-	8
Accrued Revenue	383	641
Total Receivables from ACT Government Entities	1,511	2,353
Receivables from Non-ACT Government Entities		
Net Trade Receivables	2,196	2,611
Other Receivables	19	73
Accrued Revenue	2,240	476
Net Goods and Services Tax Receivable	2,826	1,945
Total Receivables from Non-ACT Government Entities	7,281	5,105
Total Receivables	8,792	7,458

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 22 INVENTORIES

	2016 \$'000	2015 \$'000
Current Inventories		
Inventories Held for Sale		
Raw Materials - at Cost	82	57
Finished Goods - at Cost	583	575
Total Inventories Held for Sale	665	632
Inventories Held for Distribution - at Cost ^a	153	173
Total Current Inventories	818	805
Total Inventories	818	805

Inventories held for sale primarily relate to Yarralumla Nursery, Capital Linen Service and Tidbinbilla Nature Reserve.

a) Inventories are held for distribution by Roads ACT.

NOTE 23 ASSETS HELD FOR SALE

Plant and Equipment Held for Sale	-	-
Total Assets Held for Sale	-	-
Reconciliation of Assets Held for Sale		
Assets Held for Sale at the Beginning of the Reporting Period	-	442
Transfers from Plant and Equipment	-	178
Sales	-	(390)
Transfer through Administrative Restructuring	-	(134)
Change in Lease Arrangement ^a	-	(96)
Total Assets Held for Sale	-	-

a) The Directorate classified motor vehicles with expired leases as assets held for sale in 2014-15. Due to a change to whole-of-government fleet vehicles arrangements, all leases with SG Fleet for the Directorate were classified as operating leases from 23 April 2015. The Directorate does not own the vehicles under an operating lease arrangement.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 24 OTHER ASSETS

	2016 \$'000	2015 \$'000
Current Other Assets		
Prepayments	346	216
Total Current Other Assets	<u>346</u>	<u>216</u>
Non-Current Other Assets		
Prepayments	-	1
Total Non-Current Other Assets	<u>-</u>	<u>1</u>
Total Other Assets	<u><u>346</u></u>	<u><u>217</u></u>

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 25 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following classes of assets – land, buildings, leasehold improvements, plant and equipment, infrastructure assets, and heritage and community assets. Property, plant and equipment does not include assets held for sale, intangible assets or biological assets.

- *Land* includes leasehold land held by the Directorate, but excludes land under infrastructure, urban open spaces, nature reserve and land associated with heritage and community buildings.
- *Buildings* include office buildings and warehouses.
- *Leasehold improvements* represent capital expenditure incurred in relation to leased assets. The Directorate has fit-outs in its leased buildings.
- *Plant and equipment* includes plant and equipment under a finance lease, mobile plant, air conditioning and heating systems, office and computer equipment, furniture and fittings, and other mechanical and electronic equipment.
- *Infrastructure assets* comprise land improvements and public utilities that provide essential services. Land improvements are additions to areas of land that increase the utility of the land and have a limited useful life and are depreciated e.g. parking lots, retaining walls and purpose built children's playground structures adjoining a building. Infrastructure assets held by the Directorate include roads, bridges, stormwater assets, car parks, streetlights, community paths, traffic signals, driveways, signs and barriers.
- *Heritage assets* are defined as those non-current assets that the ACT Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or for redeployment. Heritage assets held by the Directorate include artworks, historical buildings, memorials and the heritage library collection.
- *Community assets* are those assets that are provided essentially for general community use or services. Community assets held by the Directorate include public parks and gardens, public nature reserves, library materials and land under infrastructure.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2016 \$'000	2015 \$'000
LAND AND BUILDINGS		
Land at Fair Value ^a	78,681	76,690
Land Restoration at Fair Value (Waste Landfill Sites) ^b	26,579	11,831
Less Accumulated Depreciation - Land Restoration (Waste Landfill Sites)	(23,489)	(10,423)
Total Written Down Value of Land	81,771	78,098
Buildings at Fair Value ^a	52,683	69,966
Less: Accumulated Depreciation	(2,116)	-
Total Written Down Value of Buildings	50,567	69,966
Total Written Down Value of Land and Buildings	132,338	148,064
LEASEHOLD IMPROVEMENTS		
Leasehold Improvements at Fair Value	353	222
Less: Accumulated Depreciation	(85)	-
Total Written Down Value of Leasehold Improvements	268	222
PLANT AND EQUIPMENT		
Plant and Equipment Under a Finance Lease		
Plant and Equipment Under a Finance Lease at Fair Value	555	355
Less: Accumulated Depreciation	(187)	(174)
Total Written Down Value of Plant and Equipment Under Finance Lease	368	181
Owned Assets		
Plant and Equipment at Fair Value	52,286	53,382
Less: Accumulated Depreciation	(16,812)	(10,161)
Less: Accumulated Impairment (Losses)	(70)	(137)
Total Written Down Value of Owned Plant and Equipment	35,404	43,084
Total Written Down Value of Plant and Equipment	35,772	43,265

a) Land and buildings were revalued at 30 June 2015. The valuations were conducted by Carolyn Mowbray and Sandra Howells (Certified Practising Valuers) from Egan National Valuers (ACT). The decrease in buildings is mainly due to the transfer of the National Arboretum Canberra to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016.

b) Land restoration assets were revalued at 30 June 2016. The valuations were conducted by officers internal to the Directorate based on estimates of future remediation costs. The increase is mainly due to the future remediation costs associated with the asbestos removal program.

Territory and Municipal Services Directorate
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For the Year Ended 30 June 2016

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2016 \$'000	2015 \$'000
INFRASTRUCTURE ASSETS		
Roads		
Roads at Fair Value	2,460,680	2,354,199
Less: Accumulated Depreciation	(45,782)	-
Total Written Down Value of Roads^c	2,414,898	2,354,199
Bridges		
Bridges at Fair Value	1,031,650	1,152,982
Less: Accumulated Depreciation	-	(31,796)
Total Written Down Value of Bridges^d	1,031,650	1,121,186
Stormwater Assets		
Stormwater Assets at Fair Value ^e	2,704,639	2,607,736
Less: Accumulated Depreciation	(327)	(78,431)
Less: Accumulated Impairment Losses	(1,500)	-
Total Written Down Value of Stormwater Assets	2,702,812	2,529,305
Cycle Paths and Footpaths		
Cycle Paths and Footpaths at Fair Value	124,701	149,056
Less: Accumulated Depreciation	-	(14,469)
Total Written Down Value of Cycle Paths and Footpaths^d	124,701	134,587
OTHER INFRASTRUCTURE ASSETS AT FAIR VALUE		
Other Infrastructure Assets		
Other Infrastructure Assets at Fair Value ^f	594,984	587,603
Less: Accumulated Depreciation	(15,240)	(30,557)
Less: Accumulated Impairment (Losses)	(3,408)	(3,397)
Total Written Down Value of Other Infrastructure	576,336	553,649
Total Written Down Value of Infrastructure	6,850,397	6,692,926

c) Roads, car parks and traffic signals were revalued at 30 June 2015. The valuations were conducted by officers internal to the Directorate using an industry standard costing approach.

d) Bridges, cyclepaths and footpaths were revalued at 30 June 2016. The valuations were conducted by officers internal to the Directorate using an industry standard costing approach.

e) Stormwater was revalued at 30 June 2016. The valuations were conducted by officers internal to the Directorate and Mr Scott Shirren (Certified Practising Valuer) from the Chief Minister, Treasury and Economic Development Directorate using the depreciated replacement cost method. The increase is mainly due to higher construction costs and increased quantities of pipes and sumps.

f) A component of other infrastructure assets were revalued at 30 June 2016. The valuations were conducted by officers internal to the Directorate and Mr Scott Shirren (Certified Practising Valuer) from the Chief Minister, Treasury and Economic Development Directorate.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2016 \$'000	2015 \$'000
HERITAGE AND COMMUNITY ASSETS		
Land (Heritage and Community Assets) at Fair Value ^g	738,538	755,189
Land Under Roads at Fair Value ^h	1,464,401	1,456,689
Total Land (Heritage and Community Assets) at Fair Value	2,202,939	2,211,878
Library Materials		
Library Materials at Fair Value ⁱ	4,893	4,611
Total Written Down Value of Library Materials	4,893	4,611
Other Heritage and Community Assets		
Other Heritage and Community Assets at Fair Value ^j	40,250	39,250
Less: Accumulated Depreciation	(1,021)	(447)
Less: Accumulated Impairment (Losses)	(1)	-
Total Written Down Value of Other Heritage and Community Assets	39,228	38,803
Total Written Down Value of Heritage and Community Assets	2,247,060	2,255,292
Total Written Down Value of Property, Plant and Equipment	9,265,835	9,139,769

- g) Land (heritage and community assets) were revalued at 30 June 2015 by Carolyn Mowbray and Sandra Howells (Certified Practising Valuers) from Egan National Valuers (ACT) using the market value method. The decrease is mainly due to the transfer of National Arboretum Canberra to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016.
- h) Land under roads were revalued at 30 June 2016. The valuations were conducted by officers internal to the Directorate using an industry standard costing approach.
- i) Library materials were revalued at 30 June 2016. These valuations were conducted by Mr Cameron Dunsford (Certified Practising Valuer) from Rodney Hyman Asset Services Pty Limited using the depreciated replacement cost method.
- j) Selected other heritage and community assets (including heritage and community land and buildings) were revalued at 30 June 2015. These valuations were conducted by Carolyn Mowbray and Sandra Howells (Certified Practising Valuers) from Egan National Valuers (ACT) using the depreciated replacement cost method.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

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

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Heritage and Community Assets \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	78,098	69,966	222	43,265	6,692,926	2,255,292	9,139,769
Additions ^a	2,154	1,742	131	6,047	252,619	2,957	265,650
Revaluation Increment recognised in Other Comprehensive Income	1,964	-	-	-	51,288	8,917	62,169
Depreciation	(282)	(2,420)	(85)	(7,998)	(134,154)	(3,331)	(148,270)
Administrative Arrangements Transfers	(30)	(18,591)	-	(5,423)	(11,372)	(16,773)	(52,189)
Impairment Recognised in the Operating Surplus/(Deficit)	-	-	-	46	(1,512)	(1)	(1,467)
Other Movements	(133)	(130)	-	(165)	602	(1)	173
Carrying Amount at the End of the Reporting Period	81,771	50,567	268	35,772	6,850,397	2,247,060	9,265,835

a) Additions for assets includes Capital Works in Progress Completed and Transferred to Property, Plant and Equipment (refer Note 28 – Reconciliation of Capital Works in Progress) and the assets received from the Commonwealth, the private developers and ACT Government agencies (refer to Note 9 – Other Gains).

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

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

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Heritage and Community Assets \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	196,938	271,215	1,048	52,840	6,411,822	2,283,237	9,217,100
Additions	-	700	-	5,910	327,154	2,018	335,782
Revaluation Increment/(Decrement) Recognised in Other Comprehensive Income	9,642	5,937	-	-	(1,082)	10,224	24,721
Revaluation (Decrement) Recognised in Operating (Deficit)	-	-	(133)	-	-	-	(133)
Impairment Losses Recognised in Other Comprehensive Income	-	-	-	(34)	(17)	-	(51)
Depreciation	(282)	(2,640)	(168)	(8,229)	(127,653)	(2,541)	(141,513)
Administrative Arrangements Transfers	(129,629)	(205,074)	(482)	(1,640)	(468)	(33,509)	(370,802)
Acquisition/(Disposal) from Transfers	1,429	(43)	-	(525)	80,968	(91)	81,738
Other Movements	-	(129)	(43)	(5,057)	2,202	(4,046)	(7,073)
Carrying Amount at the End of the Reporting Period	78,098	69,966	222	43,265	6,692,926	2,255,292	9,139,769

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy

The Directorate is required to classify property, plant and equipment into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Directorate can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

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

	Classification According to the Fair Value Hierarchy 2016			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment at Fair Value				
Land	-	78,680	3,091	81,771
Buildings	-	-	50,567	50,567
Leasehold Improvements	-	-	268	268
Plant and Equipment	-	2,008	33,764	35,772
Infrastructure Assets	-	-	6,850,397	6,850,397
Heritage and Community Assets	-	738,505	1,508,555	2,247,060
Total Fair Value	-	819,193	8,446,642	9,265,835

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

	Classification According to the Fair Value Hierarchy 2015			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment at Fair Value				
Land	-	76,689	1,409	78,098
Buildings	-	-	69,966	69,966
Leasehold Improvements	-	-	222	222
Plant and Equipment	-	1,784	41,481	43,265
Infrastructure Assets	-	-	6,692,926	6,692,926
Heritage and Community Assets	-	755,189	1,500,103	2,255,292
Total Fair Value	-	833,662	8,306,107	9,139,769

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Transfers between Categories

The Directorate had no asset transfers between level 2 and level 3 during the reporting period.

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: the valuation technique used to value land is the market approach that reflects recent transaction prices for similar properties (comparable in location and size).

For plant and equipment assets, some of the mobile plant assets are valued using the market approach. Leased plant and equipment is held at purchase price less depreciation.

Inputs: 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.

Mobile plant asset values were derived by reviewing comparable market transactions for similar assets.

Level 3 Valuation Techniques and Inputs

Valuation Technique: Land restoration assets are valued using the depreciated replacement cost method based on an assessment of future remediation estimates.

Valuation Technique: Buildings, leasehold improvements, infrastructure assets, plant and equipment assets and community and heritage assets were considered specialised assets by the valuer and officers internal to the Directorate and measured using the cost approach that reflects the cost to a market participant to construct assets of comparable utility adjusted for obsolescence.

Inputs: In determining the value of land restoration assets an estimate as to the future remediation costs at the two landfill sites was made by officers internal to the Directorate. An estimate as to time remaining until these works will be complete was also made.

Inputs: In determining the value of buildings, leasehold improvements, infrastructure assets and community and heritage assets regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to the Directorate.

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

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.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Heritage and Community Assets \$'000
2016						
Fair Value at the Beginning of the Reporting Period	1,409	69,966	222	41,481	6,692,926	1,500,103
Additions	-	1,742	131	6,047	252,619	2,957
Revaluation Increment Recognised in Other Comprehensive Income	1,964	-	-	-	51,288	-
Impairment Losses Recognised in Other Comprehensive Income	-	-	-	-	-	25,599
Depreciation	(282)	(2,420)	(85)	(7,785)	(134,154)	(3,331)
Administrative Arrangements Transfers	-	(18,591)	-	(5,423)	(11,372)	(16,773)
Reversal of Impairment Losses Recognised in the Operating Surplus/(Deficit)	-	-	-	46	(1,512)	(1)
Other Movements	-	(130)	-	(602)	602	1
Fair Value at the End of the Reporting Period	3,091	50,567	268	33,764	6,850,397	1,508,555

Total Gains for the Period included in Profit or Loss,
under 'Other Gains'

104

Total Losses for the Period included in Profit and Loss,
under 'Other Expenses'

-

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Heritage and Community Assets \$'000
2015						
Fair Value at the Beginning of the Reporting Period	1,691	271,215	1,048	43,947	6,411,822	1,551,795
Additions	-	700	-	4,687	327,154	2,018
Revaluation Increment/(Decrement) Recognised in Other Comprehensive Income	-	5,937	-	-	(1,082)	(33,867)
Revaluation Decrement Recognised in Operating (Deficit)	-	-	(133)	-	-	-
Impairment Adjustments Recognised in Other Comprehensive Income	-	-	-	(34)	(17)	-
Depreciation	(282)	(2,640)	(169)	(6,343)	(127,653)	(2,541)
Administrative Arrangements Transfers	-	(205,074)	(482)	(565)	(468)	(17,243)
Acquisition/(Disposal) from Transfers	-	(43)	-	-	80,968	(91)
Other Movements	(1)	(129)	(42)	(211)	2,202	32
Fair Value at the End of the Reporting Period	1,409	69,966	222	41,481	6,692,926	1,500,103

Total Gains for the Period included in Profit or Loss,
under 'Other Gains'

108,777

Total Losses for the Period included in Profit and Loss,
under 'Other Expenses'

(2,107)

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Information about Significant Unobservable Inputs (Level 3) in Fair Value Measurements

Item	Fair Value at 30 June		Significant Unobservable Inputs
	2016 \$000	2015 \$000	
Valuation Technique: Depreciated Replacement Cost			
Land			
Land restoration	\$3,091	\$1,409	Future cost estimates of restoration works per landfill site
			Time remaining until restoration works complete
Buildings			
Buildings	\$50,567	\$69,966	Replacement cost per asset
			Remaining useful life
			Total useful life
Leasehold Improvements			
Leasehold Improvements	\$268	\$222	Replacement cost per asset
			Remaining useful life
			Total useful life

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Information about Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Continued

Item	Fair Value at 30 June		Significant Unobservable Inputs
	2016 \$000	2015 \$000	
Valuation Technique: Depreciated Replacement Cost			
Plant and Equipment			
All plant and equipment assets (excluding mobile plant and equipment)	\$33,764	\$41,481	Remaining useful life
			Total useful life
Fitness circuits, water tanks and other plant and equipment			Replacement cost per asset
Bins, bollards, booms, buoys and flagpoles			Replacement cost per asset based on contract prices, quotes or industry standards
Barbeques, drinking fountains, playgrounds, seats and tables			Replacement cost per asset based on costs for recent similar capital projects

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Information about Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Continued

Item	Fair Value at 30 June		Significant Unobservable Inputs
	2016 \$000	2015 \$000	
Valuation Technique: Depreciated Replacement Cost			
Infrastructure Assets			
All infrastructure assets	\$6,850,397	\$6,692,926	Remaining useful life
			Total useful life
Boat ramps, boardwalks, jetties, site improvements, skate parks, waste infrastructure and other infrastructure			Replacement cost per asset
Fences, retaining walls, barriers			Replacement cost per lineal metre based on contract prices or industry standards
Bridges, car parks, community paths, driveways, irrigation systems, roads and shopping centre pavements			Replacement cost per square metre based on contract prices or industry standards
Stormwater assets, gates, signs, streetlights, bus shelters, traffic signals			Replacement cost per asset based on contract price or industry standards

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Information about Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Continued

Item	Fair Value at 30 June		Significant Unobservable Inputs
	2016 \$000	2015 \$000	
Valuation Technique: Depreciated Replacement Cost			
Heritage and Community Assets			
Library materials, fountains, water features, beaches, sculptures, shelters and other heritage and community assets	\$44,154	\$43,414	Replacement cost per asset
			Remaining useful life
			Total useful life
Artwork and memorials			Replacement cost of new asset
Valuation Technique: Statutory Land Value			
Heritage and Community Assets			
Land under roads	\$1,464,401	\$1,456,689	Total unimproved value of rateable properties divided by the total area of the ACT

Assets where current use is not highest and best use

The Directorate considers that the current use of all property, plant and equipment assets is the highest and best use of those assets.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 25 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

- *Trees* - The Directorate includes the value of trees in urban open space in the financial statements as part of the land values in the heritage and community asset class. The land value is determined by external valuers using a method based on the type of trees/vegetation present on the land being valued. The Directorate has established the following estimate of replacement costs of the trees in urban open space at 30 June 2016. This replacement cost estimate is shown below, however in no way does this represent the fair value of the trees, nor is this the value that is included in land values in the heritage and community asset class.

	2016 Number of Trees '000	2016 Actual Value \$'000	2015 Number of Trees '000	2015 Actual Value \$'000
Trees in Urban Open Space				
Native Species	315	84,944	313	84,567
Exotic Species	443	159,653	442	158,944
	758	244,597	755	243,511

NOTE 26 INTANGIBLE ASSETS

The Directorate has internally generated software including the following systems: Horizon Library Management System, Radio Frequency Identification at Libraries, Real Time Passenger Information, Record Management and Linen Management.

	2016 \$'000	2015 \$'000
Computer Software		
<i>Internally Generated Software</i>		
Computer Software at Cost	8,174	7,896
Less: Accumulated Amortisation	(3,488)	(2,071)
Total Internally Generated Software	4,686	5,825
Total Intangible Assets	4,686	5,825
Reconciliation of Intangible Assets		
The following table shows the movement of Intangible Assets.		
Carrying Amount at the Beginning of the Reporting Period	5,825	2,677
Additions	279	5,462
Administrative Arrangements Transfers	-	(1,832)
Amortisation	(1,418)	(482)
Carrying Amount at the End of the Reporting Period	4,686	5,825

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 27 BIOLOGICAL ASSETS

	2016 \$'000	2015 \$'000
Standing Timber - at Independent Valuation ^a	28,488	26,489
Total Non- Current Plantation	28,488	26,489
Represented by:		
Plantations		
Plantation Value at the Beginning of the Reporting Period	26,489	26,457
 Pre-Commercial Plantations Value at the Beginning of the Reporting Period	 15,220	 15,875
Net movement due to change in Age Classes and Plantation Area	701	600
Less: Transfer to Commercial Plantations	(659)	(1,255)
Pre-Commercial Plantations Value at the End of the Reporting Period	15,262	15,220
 Commercial Plantations Value at the Beginning of the Reporting Period	 11,269	 10,582
Add: Transfer from Pre-Commercial Plantations	659	659
Net Movement due to Tree Growth and Thinning	2,642	696
Less: Harvesting Removals	(1,344)	(668)
Commercial Plantations Value at the End of the Reporting Period	13,226	11,269
 Plantation Value at the End of the Reporting Period^b	 28,488	 26,489

- a) No commercial harvesting programs have been undertaken in previous and current reporting periods. Accordingly, plantation stock has been identified as non-current. The valuation was conducted by Dr John Turner (Member, Institute of Foresters of Australia) and Marcia J. Lambert, from Forsci Pty Ltd at 30 June 2016. Biological assets are revalued on an annual basis.
- b) The number of trees across the total plantation is estimated at 4.9 million at 30 June 2016 (4.9 million at 30 June 2015).

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 28 CAPITAL WORKS IN PROGRESS

Capital Works in Progress are assets under construction over a period of time in excess of the current reporting period. These assets often require extensive installation work, or integration with other assets, and contrast with simpler assets that are ready for use when required, such as motor vehicles and equipment. Capital Works in Progress are not depreciated as the Directorate is not currently deriving any economic benefit from them.

Assets which are under construction include buildings, plant and equipment, infrastructure assets, heritage and community assets, and software.

	2016	2015
	\$'000	\$'000
Non-Current		
Buildings	347	493
Plant and Equipment	1,411	1,942
Infrastructure	95,360	117,295
Heritage and Community	439	560
Software	602	195
Total Capital Works in Progress^a	98,159	120,485

a) The decrease in capital works in progress is mainly due to the transfer of part of the Majura Parkway to property, plant and equipment in 2015-16.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 28 CAPITAL WORKS IN PROGRESS – CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement of Capital Works in Progress during 2015-16.

	Heritage and Community Works in Progress \$'000	Plant and Infrastructure Equipment Works in Progress \$'000	Buildings Works in Progress \$'000	Leasehold Improvement Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period						
Additions	560	1,942	493	-	195	120,485
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	3,308	4,765	468	279	662	142,802
Capital Works in Progress Completed and Transferred to Intangible Assets	(1,037)	(4,338)	(469)	(216)	-	(135,079)
Capital Works in Progress Completed and Expensed	(2,020)	(938)	(124)	(63)	(241)	(241)
Capital Works in Progress Completed and Transferred to Provision	-	-	-	-	-	(3,479)
Administrative Arrangements Transfers	(372)	(20)	(21)	-	-	(1,983)
Carrying Amount at the End of the Reporting Period	439	1,411	347	-	602	98,159

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 28 CAPITAL WORKS IN PROGRESS – CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement of Capital Works in Progress during 2014-15.

	Heritage and Community Works in Progress \$'000	Equipment Works in Progress \$'000	Plant and Infrastructure Works in Progress \$'000	Buildings Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period						
Additions	148		2,301	299,444	5,900	313,010
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	4,971		3,358	148,862	632	159,729
	(3,677)		(2,927)	(291,526)	(914)	(304,217)
Capital Works in Progress Completed and Transferred to Intangible Assets	-		-	-	(5,403)	(5,403)
Capital Works in Progress Completed and Expensed	(882)		(397)	(36,953)	(20)	(39,424)
Administrative Arrangements Transfers	-		(393)	(2,532)	-	(3,210)
Carrying Amount at the End of the Reporting Period	560		1,942	117,295	195	120,485

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 29 PAYABLES

	Note	2016 \$'000	2015 \$'000
Current Payables			
Trade Payables		2,801	2,234
Other Payables		-	32
Payables	36	<u>2,801</u>	<u>2,266</u>
Accrued Expenses		23,164	22,846
Total Current Payables		<u>25,965</u>	<u>25,112</u>
Total Payables		<u>25,965</u>	<u>25,112</u>

Payables are aged as follows:

Not Overdue	25,875	24,837
Overdue for Less than 30 Days ^a	50	185
Overdue for 30 to 60 Days ^a	26	73
Overdue for More than 60 Days ^a	14	17
Total Payables	<u>25,965</u>	<u>25,112</u>

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Trade Payables	23	162
Other Payables	-	32
Accrued Expenses	15,227	12,255
Total Payables with ACT Government Entities	<u>15,250</u>	<u>12,449</u>

Payables with Non-ACT Government Entities

Trade Payables	2,778	2,072
Accrued Expenses	7,937	10,591
Total Payables with Non-ACT Government Entities	<u>10,715</u>	<u>12,663</u>
Total Payables	<u>25,965</u>	<u>25,112</u>

a) Overdue payables are mainly due to invoices not received by June 2016.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 30 INTEREST-BEARING LIABILITIES AND FINANCE LEASES

	2016 \$'000	2015 \$'000
Current Interest-Bearing Liabilities		
Secured		
Finance Leases	190	169
Total Current Finance Leases	<u>190</u>	<u>169</u>
Total Current Interest-Bearing Liabilities	<u>190</u>	<u>169</u>
Non-Current Interest-Bearing Liabilities		
Secured		
Finance Leases	129	28
Total Non-Current Finance Leases	<u>129</u>	<u>28</u>
Total Non-Current Interest-Bearing Liabilities	<u>129</u>	<u>28</u>
Total Interest-Bearing Liabilities	<u>319</u>	<u>197</u>

Secured Liability

The Directorate's finance lease liability is effectively secured because if the Directorate defaults, the assets under a finance lease revert to the lessor.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

**NOTE 30 INTEREST-BEARING LIABILITIES AND FINANCE LEASES –
CONTINUED**

	2016 \$'000	2015 \$'000
Finance Leases		
Finance lease commitments are payable as follows:		
Within one year	197	183
Later than one year but not later than five years	132	28
Minimum Lease Payments	329	211
Less: Future Finance Lease Charges	(10)	(14)
Amount Recognised as a Liability	319	197
Total Present Value of Minimum Lease Payments	319	197
The present value of the minimum lease payments are as follows:		
Within one year	190	169
Later than one year but not later than five years	129	28
Total Present Value of Minimum Lease Payments	319	197
Classification on the Balance Sheet		
Interest-Bearing Liabilities		
Finance Leases		
Current Finance Leases	190	169
Non-Current Finance Leases	129	28
Total Interest-Bearing Liabilities^a	319	197

Credit Facilities

Apart from the Directorate's use of credit cards, there are no formal credit facilities in place for the Directorate with the Territory's appointed transactional bank. If the Directorate's account goes into overdraft throughout the year, the Directorate is not charged interest, however, the overdraft position is required to be rectified as soon as possible. The Directorate has several bank accounts with Westpac Banking Corporation and the Directorate did not go into overdraft during the financial year.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 31 EMPLOYEE BENEFITS

	2016 \$'000	2015 \$'000
Current Employee Benefits		
Annual Leave	8,149	7,388
Long Service Leave ^a	18,027	15,326
Accrued Salaries	314	2,448
Other Benefits	1,075	1,307
Total Current Employee Benefits	27,565	26,469
Non-Current Employee Benefits		
Long Service Leave	1,647	1,303
Total Non-Current Employee Benefits	1,647	1,303
Total Employee Benefits^a	29,212	27,772
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 months		
Annual Leave	8,149	7,388
Long Service Leave	1,749	1,867
Accrued Salaries	314	2,448
Other Benefits	1,075	1,307
Total Employee Benefits Payable within 12 months^b	11,287	13,010
Estimated Amount Payable after 12 months		
Long Service Leave	17,925	14,762
Total Employee Benefits Payable after 12 months^b	17,925	14,762
Total Employee Benefits	29,212	27,772

- a) At 30 June 2016, the Directorate employed 943 full-time equivalent (FTE) staff (885 FTE staff at 30 June 2015). This increase is due to administrative staff transferred from ACTION and the replacing of contractor staff with permanent employees. The rate used to estimate the present value of these future long service leave liability is 114.7% at 30 June 2016 (104.2% at 30 June 2015). The increase in the rate from last year resulted in an increase to the provision of \$1.8m.
- b) The estimate of long service leave payable is based on an average of long service leave taken in the last three years, (annual leave is estimated to be payable within 12 months, based on work practices).

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 32 OTHER PROVISIONS

	2016 \$'000	2015 \$'000
Current Other Provisions		
Provision for Infrastructure Costs ^a	7,800	-
Provision for Restoration of Waste Landfill Sites - Mugga Lane and Belconnen	3,367	-
Total Current Other Provisions	11,167	-
Non-Current Other Provisions		
Provision for Restoration of Waste Landfill Sites - Mugga Lane and Belconnen	23,212	13,386
Total Non-Current Other Provision	23,212	13,386
Total Other Provisions	34,379	13,386
Reconciliation of the Provision for Restoration of Waste Landfill Sites - Mugga Lane and Belconnen		
Provision for Restoration of Contaminated Sites at the Beginning of the Reporting Period	13,386	11,831
Reduction in Provision from Site-Works Undertaken ^b	(3,480)	-
Increment in Provision due to a Change in Estimate ^c	16,673	1,555
Provision for Restoration at the End of the Reporting Period	26,579	13,386

- a) The provision for infrastructure costs relates to a future capital works settlement.
- b) The restoration provision was decreased by the amount of work undertaken at the Mugga Lane and Belconnen landfill sites during 2015-16.
- c) The increment to the provision reflects an increase in estimated future costs to restore the landfill sites associated with the asbestos removal program.

NOTE 33 OTHER LIABILITIES

Current Other Liabilities		
Revenue Received in Advance ^a	2,175	1,758
Project Funding Received in Advance	53	130
Balance due to Territorial Account	-	14
Total Current Other Liabilities	2,228	1,902
Total Other Liabilities	2,228	1,902

- a) The increase in other liabilities is mainly due to revenue received in advance for Capital Works in relation to a contribution from the Chief Minister, Treasury and Economic Development Directorate for new Welcome to Canberra signs.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 34 EQUITY

	2016 \$'000	2015 \$'000
Equity		
Accumulated Funds	5,705,802	5,666,588
Asset Revaluation Surplus	3,621,188	3,582,664
Total Equity	9,326,990	9,249,252

Movements In Asset Revaluation Surplus during the Reporting Period

Asset Revaluation Surplus

The Asset Revaluation Surplus is used to record the increments and decrements in the value of Property, Plant and Equipment.

Land Revaluation Surplus

Balance at the Beginning of the Reporting Period	62,754	104,665
Increment on Revaluation	1,964	9,642
Administrative Arrangements Transfers ^a	-	(49,998)
Adjustment to Landfill Provision ^b	(16,673)	(1,555)
Balance at the End of the Reporting Period	48,045	62,754

Infrastructure Revaluation Surplus

Balance at the Beginning of the Reporting Period	2,390,363	2,391,462
Increment/(Decrement) on Revaluation ^c	51,288	(1,082)
Impairment Adjustment	(1,512)	(17)
Balance at the End of the Reporting Period	2,440,139	2,390,363

Building Revaluation Surplus

Balance at the Beginning of the Reporting Period	24,727	66,461
Increment on Revaluation	-	5,937
Administrative Arrangements Transfers ^a	(394)	(47,671)
Balance at the End of the Reporting Period	24,333	24,727

Heritage and Community Asset Revaluation Surplus

Balance at the Beginning of the Reporting Period	1,102,876	1,105,097
Increment on Revaluation	8,917	10,224
Impairment Adjustment	(1)	-
Administrative Arrangements Transfers ^a	(4,875)	(12,445)
Balance at the End of the Reporting Period	1,106,917	1,102,876

Plant and Equipment Revaluation Surplus

Balance at the Beginning of the Reporting Period	1,944	2,243
Administrative Arrangements Transfers ^a	(236)	(265)
Impairment Adjustment	46	(34)
Balance at the End of the Reporting Period	1,754	1,944

Total Asset Revaluation Surplus	3,621,188	3,582,664
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**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 34 EQUITY – CONTINUED

	2016 \$'000	2015 \$'000
Movements In Asset Revaluation Surplus during the Reporting Period		
Administrative Arrangements Transfers^a	(5,505)	(110,379)
Net Revaluation Increment ^c	62,169	24,721
Adjustment to Landfill Provision ^b	(16,673)	(1,555)
Impairment Adjustment	(1,467)	(51)
Total Revaluation Increment	44,029	23,115
Net Increase/(Decrease) in the Asset Revaluation Surplus	38,524	(87,264)

a) The asset revaluation surplus movement in 2015-16 represents the transfer of the National Arboretum Canberra to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016.

b) The increase in the landfill provision is mainly due to revised estimated future remediation costs associated with the asbestos removal program.

c) The net revaluation increment is mainly due to an increase in the value of stormwater as the result of higher construction costs and increased quantities of pipes and sumps.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 35 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Restructure of Administrative Arrangements 2015-16

Administrative Arrangements 2016 (No 1) Notifiable instrument NI2016-41 transferred National Arboretum Canberra to the Chief Minister, Treasury and Economic Development Directorate effective 22 January 2016.

Restructure of Administrative Arrangements 2014-15

Administrative Arrangements 2014 (No 1) Notifiable instrument NI2014-310 transferred ACT Property Group to the Chief Minister, Treasury and Economic Development Directorate effective 7 July 2014.

Administrative Arrangements 2014 (No 2) Notifiable instrument NI2014-654 transferred Canberra Connect to the Chief Minister, Treasury and Economic Development Directorate effective 15 December 2014.

Assets and Liabilities

The assets and liabilities transferred out as part of the administrative arrangements at the dates of transfer were as follows:

	Transferred Out 2015-16 \$'000	Transferred Out 2014-15 \$'000
Assets		
Cash and Cash Equivalents	352	8,570
Receivables	134	5,611
Inventories	12	274
Assets Held for sale	-	134
Other Assets	-	1,864
Property, Plant and Equipment	52,189	370,802
Intangible Assets	-	1,832
Capital Works in Progress	1,983	3,210
Total Assets Transferred Out	54,670	392,297
Liabilities		
Payables	86	6,559
Interest-Bearing Liabilities	-	1,113
Employee Benefits	299	4,785
Other Provisions	-	97
Other Liabilities	201	1,981
Total Liabilities Transferred Out	586	14,535
Total Net Assets Transferred Out	54,084	377,762

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 36 FINANCIAL INSTRUMENTS

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

Interest Rate Risk

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

As all financial assets and liabilities, except finance leases are held in non-interest bearing arrangements and the interest rate for finance leases is fixed and not variable, the Directorate is not significantly exposed to interest rate risk.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Directorate as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Directorate's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment. The Directorate expects to collect all financial assets that are not impaired.

At the end of the reporting period, the Directorate holds cash, cash held with the bank and cash equivalents and as such, the Directorate considers the credit risk associated with these financial assets to be low.

The Directorate manages the credit risk of receivables by regular review of the Aged Debtor Reports and referral to debt collection agencies where appropriate. Specific analysis of the debtor balances is carried out on a monthly basis and where necessary an allowance is raised in accordance with the Directorate's impairment policy. The results are reported to senior management on a monthly basis. There have been no changes in credit risk exposure since last reporting period.

Liquidity Risk

Liquidity risk is the risk that the Directorate will be unable to meet its financial obligations as they fall due that are settled by delivering cash or another financial asset. The Directorate's main financial obligations relating to financial instruments relate to the payment of employees, grants and the purchase of supplies and services.

The main source of cash to pay these obligations is appropriation from the ACT Government which is paid on a fortnightly basis during the year. The Directorate manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of anticipated obligations. In the event of urgent and unforeseen circumstances, Section 18 of the *Financial Management Act 1996* allows the Treasurer to authorise an appropriation from the Treasurer's Advance.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 36 FINANCIAL INSTRUMENTS – 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 (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Directorate holds an immaterial amount of financial assets or liabilities that are subject to price risk and, as a result, is not considered to have any price risk. Accordingly, a sensitivity analysis has not been undertaken. The Directorate's exposure to price risk and the management of this risk has not changed since last reporting period.

Fair Value of Financial Assets and Liabilities

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

	Note No.	Carrying Amount 2016 \$'000	Fair Value Amount 2016 \$'000	Carrying Amount 2015 \$'000	Fair Value Amount 2015 \$'000
Financial Assets					
Cash and Cash Equivalents	20	11,969	11,969	16,573	16,573
Receivables	21	3,343	3,343	4,396	4,396
Total Financial Assets		15,312	15,312	20,969	20,969
Financial Liabilities					
Payables	29	2,801	2,801	2,266	2,266
Finance Leases	30	319	319	197	197
Total Financial Liabilities		3,120	3,120	2,463	2,463

Accrued revenue and expenses have been excluded as they do not meet the definition of a financial instrument.

Fair Value Hierarchy

The Directorate's financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not subject to the Fair Value Hierarchy.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 36 FINANCIAL INSTRUMENTS – CONTINUED

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

Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
			1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments							
Financial Assets							
20	-	-	-	-	-	11,969	11,969
21	-	-	-	-	-	3,343	3,343
Total Financial Assets		-	-	-	-	15,312	15,312
Financial Liabilities							
29	-	-	-	-	-	2,801	2,801
30	7.43%	197	132	-	-	-	329
Total Financial Liabilities		197	132	-	-	2,801	3,130
Net Financial (Liabilities)/Assets		(197)	(132)	-	-	12,511	12,182

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 36 FINANCIAL INSTRUMENTS – CONTINUED

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

Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
			1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments							
Financial Assets							
20	-	-	-	-	-	16,573	16,573
21	-	-	-	-	-	4,396	4,396
Total Financial Assets		-	-	-	-	20,969	20,969
Financial Liabilities							
29	-	-	-	-	-	2,266	2,266
30	8.45%	183	28	-	-	-	211
Total Financial Liabilities		183	28	-	-	2,266	2,477
Net Financial (Liabilities)/Assets		(183)	(28)	-	-	18,703	18,492

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 36 FINANCIAL INSTRUMENTS – CONTINUED

	2016 \$'000	2015 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables measured at Amortised Cost	3,343	4,396
Financial Liabilities		
Financial Liabilities measured at Amortised Cost	3,120	2,463

The Directorate does not have any financial assets in the 'Financial Assets at Fair Value through Profit and Loss' category, 'Available for Sale' category or the 'Held to Maturity' category and as such these categories are not included above. The Directorate also 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.

NOTE 37 COMMITMENTS

Capital Commitments

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

Capital Commitments

Payable:		
Within one year ^a	47,464	66,669
Later than one year but not later than five years ^a	766	67
Total Capital Commitments ^a	48,230	66,736

a) The decrease in capital commitments is mainly due to the progressive completion of capital works for the Majura Parkway and the Constitution Avenue Upgrade.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 37 COMMITMENTS – CONTINUED

Other Commitments

Other commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows:

	2016	2015
	\$'000	\$'000
Payable:		
Within one year	50,451	41,591
Later than one year but not later than five years	151,079	99,649
Later than five years	34,758	51,142
Total Other Commitments^a	236,288	192,382

a) Other commitments include maintenance contracts for streetlighting, stormwater assets, road resurfacing, waste management, mowing, graffiti removal, public place cleaning and general horticultural maintenance. The increase mainly relates to a long term waste and recyclable materials collection contract with SUEZ Recycling & Recovery Pty Ltd.

Operating Lease Commitments

The operating lease agreements give the Directorate the right to renew the leases. Renegotiations of the leased terms occur on renewal of the leases. Operating Lease commitments in 2015-16 relate to the provision of ICT Services provided by Shared Services and vehicles by SG Fleet.

Non-Cancellable Operating Lease Commitments

Non-cancellable operating commitments are payable as follows:

Payable:		
Within one year	6,596	5,844
Later than one year but not later than five years	7,571	8,012
Later than five years	55	19
Total Operating Lease Commitments	14,222	13,875

All amounts shown in the commitment note are inclusive of Goods and Services Tax.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 38 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

The Directorate is subject to various claims at the reporting date with the contingent liabilities being shown below:

	2016	2015
	\$'000	\$'000
Legal Claims ^a	340	330
Contaminated Sites ^b	81,100	81,050
Total Contingent Liabilities	81,440	81,380

- a) The ACT Government Solicitor is acting for the Directorate in relation to 65 individual unresolved matters of public liability at 30 June 2016 (66 at 30 June 2015). The amount represents the excess on these claims as the Directorate is covered by the ACT Insurance Authority (ACTIA). If the Directorate under the arrangements with ACTIA pays the full amount of a successful claim, the amount less the excess amount is reimbursed to the Directorate by ACTIA.
- b) The Directorate owns 175 sites at 30 June 2016 (175 at 30 June 2015) that have been identified as being contaminated land. The liability associated with the remediation of these sites is contingent on various factors, as discussed in Note 2 (af) (11) '*Significant Accounting Judgements and Estimates*'.

In addition to the above, the Directorate also has a contingent liability in relation to the compulsorily acquired land for a bus station at Dickson.

Contingent Assets

The contingent assets as at the end of current and previous reporting period relate to the Directorate's insurance arrangements where reimbursement from ACTIA occurs and the compulsorily acquired land for a bus station at Dickson (see Legal Claims above).

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 39 CASH FLOW RECONCILIATION

	2016 \$'000	2015 \$'000
(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet		
Total Cash and Cash Equivalents Recorded in the Balance Sheet	11,969	16,573
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	11,969	16,573
(b) Reconciliation of Operating (Deficit) to Net Cash Inflows from Operating Activities		
Operating (Deficit)	(21,660)	(54,571)
Add/(Less) Non-Cash Items		
Depreciation of Property, Plant and Equipment	148,270	141,513
Amortisation of Intangibles	1,418	482
Write-off/loss on Disposal of Assets	181	2,159
Expensing of Capital Works in Progress	24,303	39,424
Assets Transferred to Other ACT Government Entities	133	318
Assets Transferred from Other ACT Government Entities and Private Developers	(128,158)	(110,468)
Assets Located during Stocktake	(69)	(100)
Revaluation and Asset Adjustments	(1,999)	(32)
Other Non-Cash Items		
Revaluation Losses	-	133
Transfers as a Result of Administrative Arrangements	440	5,577
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Disposal of Non-Current Assets	(38)	(235)
Gain from Derecognition of Finance Lease Liability	-	(4,633)
Loss on Derecognition of Motor Vehicles Under a Finance Lease	-	4,488
Cash Before Changes in Operating Assets and Liabilities	22,821	24,055
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(1,334)	5,880
(Increase)/Decrease in Inventories	(13)	605
(Increase)/Decrease in Other Assets	(130)	2,479
(Decrease) in Payables	(2,719)	(6,623)
Increase/(Decrease) in Employee Benefits	1,441	(5,958)
Increase/(Decrease) in Other Liabilities	326	(1,439)
Net Changes in Operating Assets and Liabilities	(2,429)	(5,056)
Net Cash Inflows from Operating Activities	20,392	18,999
(c) Non-Cash Financing and Investing Activities		
Acquisition of Motor Vehicles by means of Finance Lease	-	1,078

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 40 EVENTS OCCURING AFTER BALANCE DATE

A change to the ACT Government came into effect on 1 July 2016 through *Notifiable Instrument NI2016-178 Administrative Arrangements 2016 (No 3)*.

- ACT Parks and Conservation service transferred from the Directorate to the Environment and Planning Directorate;
- Active Travel (walking and cycling) which provides transport input on strategic planning will transfer from the Environment and Planning Directorate to the Directorate; and
- Capital Metro Agency ceased to be a separate reporting entity. CMA's functions amalgamated with the Directorate to become the Transport Canberra and City Services Directorate.

The financial effect of the administrative arrangements is not reflected in the financial statements.

The total value of net assets transferred between the Directorate and the Environment and Planning Directorate after balance date was \$300.9 million.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 41 BUDGETARY REPORTING – EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met:

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

Operating Statement Line Items	Actual	Original Budget ¹		Variance Explanations	
	2015-16 \$'000	2015-16 \$'000	Variance \$'000	Variance %	
Other Gains	130,274	107,693	22,581	20.97	Variance is due to unbudgeted Roads infrastructure assets transferred from the Chief Minister, Treasury and Economic Development Directorate to the Directorate.
Employee Expenses	83,647	69,292	14,355	20.72	The higher than budgeted employee expenses is mainly due to a combination of factors; higher than budgeted workers' compensation insurance premiums (\$2.7m), higher leave payments (\$4.6m) and higher salary and wages (\$6.9m) due to administrative staff transferred from ACTION and the replacing of contract staff with permanent employees.
Supplies and Services	162,366	180,867	(18,501)	(10.23)	The lower than budgeted supplies and services is mainly due to spending on Constitution Avenue being recorded as Capital Works in Progress.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 41 BUDGETARY REPORTING – EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS – CONTINUED

Balance Sheet Line Items	Actual	Original	Variance		Variance Explanations
	2015-16 \$'000	Budget¹ 2015-16 \$'000	\$'000	%	
Cash and Cash Equivalents	11,969	14,402	(2,433)	(16.89)	The variance is mainly due to the payments associated with the capital works invoices in relation to the Constitution Avenue and the Majura Parkway.
Current Receivables	8,792	7,460	1,332	17.86	The variance is mainly due to a delay of the asbestos removal recoveries from the taskforce through the Chief, Minister, Treasury and Economic Development Directorate.
Current Payables	25,965	33,857	(7,892)	(23.31)	The variance is mainly due to invoices received and paid in full before end of financial year.
Current Employee Benefits	27,565	31,219	(3,654)	(11.70)	The variance is mainly due to an over estimation of the budget in relation to the long services leave and other employee benefits.
Current Other Provision	11,167	97	11,070	11,412.37	The variance is due to payments to be made in relation to capital works settlement and an increment to the provision associated with expected future remediation costs in relation to the asbestos removal program.
Non-Current Other Provisions	23,212	11,831	11,381	96.20	The variance is mainly due to an increment to the provision associated with expected future remediation costs in relation to the asbestos removal program.

Statement of Changes in Equity

These line items are covered in other financial statements

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 41 BUDGETARY REPORTING – EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS – CONTINUED

Cash Flow Statement Line Items	Actual 2015-16 \$'000	Original Budget ¹		Variance \$'000	Variance %	Variance Explanations
		2015-16 \$'000	2015-16 \$'000			
Employee	81,595	67,412	14,183	21.04		The higher than budgeted employee expenses is mainly due to a combination of factors; higher than budgeted workers' compensation insurance premiums (\$2.7m), higher leave payments (\$4.6m) and higher salary and wages (\$6.9m) due to administrative staff transferred from ACTION and the replacing of contract staff with permanent employees.
Capital Injections	128,324	146,158	(17,834)	(12.20)		The lower than budgeted capital injections is the result of a component of the funding relating to various projects being deferred to future financial years due to delays in the planning process which have impacted on delivery.
Capital Payments to ACTION	18,871	16,814	2,057	12.23		The variance between budget represents the savings returned to Treasury from the ACTION replacement of underground storage tanks project.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

TERRITORY AND MUNICIPAL SERVICES DIRECTORATE

TERRITORIAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2016**

Territory and Municipal Services Directorate
Statement of Income and Expenses on Behalf of the Territory
For the Year Ended 30 June 2016

	Note	Actual	Original	Restated
	No.	2016	Budget	Actual
		\$'000	\$'000	2015
				\$'000
Income				
<i>Revenue</i>				
Fees and Fines	43	16,276	16,891	16,601
Land Sales Revenue	44	21,476	80,174	17,239
Interest	45	4,873	4,225	2,530
Other Revenue	46	161	-	6
<i>Total Revenue</i>		<u>42,786</u>	<u>101,290</u>	<u>36,376</u>
Total Income		<u>42,786</u>	<u>101,290</u>	<u>36,376</u>
Expenses				
Transfer to Government	47	42,786	101,290	36,355
Other Expenses	48	-	-	21
Total Expenses		<u>42,786</u>	<u>101,290</u>	<u>36,376</u>
Operating Surplus/(Deficit)		<u>-</u>	<u>-</u>	<u>-</u>

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

There are no output classes in Territorial.

Territory and Municipal Services Directorate
Statement of Assets and Liabilities on Behalf of the Territory
At 30 June 2016

	Note	Actual	Original	Restated	Restated
	No.	2016	Budget	Actual	Actual
		\$'000	2016	2015	1 July 2014
			\$'000	\$'000	\$'000
Current Assets					
Cash and Cash Equivalents	50	18	-	-	-
Receivables	51	59,479	25,201	117,964	165,897
Inventories	52	133	-	-	-
Total Current Assets		59,630	25,201	117,964	165,897
Total Assets		59,630	25,201	117,964	165,897
Current Liabilities					
Payables	53	59,630	25,201	117,964	165,897
Total Current Liabilities		59,630	25,201	117,964	165,897
Total Liabilities		59,630	25,201	117,964	165,897
Net Assets		-	-	-	-
Equity					
Accumulated Funds		-	-	-	-
Total Equity		-	-	-	-

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

Net Assets and Total Equity has remained at nil, therefore a Statement of Change in Equity on Behalf of the Territory has not been prepared.

**Territory and Municipal Services Directorate
Cash Flow Statement on Behalf of the Territory
For the Year Ended 30 June 2016**

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Cash Flows from Operating Activities				
Receipts				
Fees and Fines		16,881	16,891	16,609
Goods and Services Tax Collected from Customers		1,781	-	1,677
Land Sales		79,356	81,619	65,135
Other Receipts		27	-	7
Interest Received		4,873	4,225	2,530
Total Receipts from Operating Activities		102,918	102,735	85,958
Payments				
Supplies and Services		-	-	149
Transfer of Territory Receipts to the ACT Government		101,095	100,959	84,143
Goods and Services Tax Remitted to the Australian Taxation Office		1,805	-	1,666
Other		-	1,776	-
Total Payments from Operating Activities		102,900	102,735	85,958
Net Cash Inflows from Operating Activities	55	18	-	-
Net Increase in Cash and Cash Equivalents		18	-	-
Cash and Cash Equivalents at the Beginning of the Reporting Period		-	-	-
Cash and Cash Equivalents at the End of the Reporting Period	55	18	-	-

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

Territory and Municipal Services Directorate

Territorial Note Index of the Financial Statements

For the Year Ended 30 June 2016

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Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 42 SIGNIFICANT ACCOUNTING POLICIES – TERRITORIAL

All accounting policies are contained in Note 2: *Significant Accounting Policies*. The policies outlined in Note 2 apply to both the Controlled and Territorial Financial Statements.

The majority of Territorial revenues relate to land sales to the Land Development Agency (LDA) and fees associated with the acceptance of commercial and industrial waste to landfill.

NOTE 43 FEES AND FINES – TERRITORIAL

	2016 \$'000	2015 \$'000
Fees		
Fees for Regulatory Services	16,265	16,593
Total Fees	16,265	16,593
Fines		
Other Fines	11	8
Total Fines	11	8
Total Fees and Fines	16,276	16,601

NOTE 44 LAND SALES REVENUE – TERRITORIAL

	2016 \$'000	Restated 2015 \$'000
Land Sales Revenue		
Land Sales ^a	21,476	17,239
Total Land Sales Revenue	21,476	17,239

a) Land is sold to the LDA in accordance with the ACT Government's land release program (see Note 2 (af) (12) *Significant Accounting Judgement and Estimates*). In 2015-16, land sales largely related to residential land at Moncrieff, Belconnen – Commercial Community and aged care, Coombs and Weston Creek.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 45 INTEREST – TERRITORIAL

	2016 \$'000	2015 \$'000
Interest Received		
Interest ^a	4,873	2,530
Total Interest Received	4,873	2,530

a) The LDA pays the Directorate interest relating to land held for sale. The charge is based on commercial interest rates applied for the holding period (see Note 2(a) (13) *Significant Accounting Judgement and Estimates*).

NOTE 46 OTHER REVENUE – TERRITORIAL

Other Revenue

Other Revenue relates to the recovery of debts previously written off as uncollectable and land transferred from Controlled.

Other Revenue		
Other Revenue ^a	161	6
Total Other Revenue	161	6

a) The increase in other revenue represents 267 hectares of land transferred from Controlled.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 47 TRANSFER TO GOVERNMENT – TERRITORIAL

Transfer to Government represents the funds collected by the Directorate on behalf of the Territory relating to land sales, waste collection fees and other fees, that is then transferred to the Territory Banking Account.

Total Transfer to Government	2016	Restated
	\$'000	2015
		\$'000
Payments to the Territory Banking Account	42,786	36,355
Total Transfer to Government	42,786	36,355

NOTE 48 OTHER EXPENSES – TERRITORIAL

	2016	2015
	\$'000	\$'000
Impairment Losses and Write-offs from Trade Receivables (refer to Note 49 'Waivers, Impairment Losses and Write-offs - Territorial')	-	21
Total Other Expenses	-	21

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 49 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS – TERRITORIAL

Under Section 131 of the *Financial Management Act 1996* the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. In 2014-15 and 2015-16 the Directorate did not submit to the Treasurer any debt waivers.

A waiver is the relinquishment of a legal claim to a debt which the Directorate administers on behalf of the Territory. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Directorate to recover the amount. The write-off of debts may occur for reasons other than waivers.

The impairment losses listed below have occurred during the reporting period for the Directorate.

	2016		2015	
	No.	\$'000	No.	\$'000
Impairment Loss from Trade Receivables				
Trade Receivables	-	-	-	-
Total Impairment Loss for Receivables	-	-	-	-
Total Impairment Losses	-	-	-	-
Write-Offs				
Irrecoverable Debts	-	-	45	21
Total Write-Offs	-	-	45	21
Total Waivers, Impairment Losses and Write-offs	-	-	45	21

NOTE 50 CASH AND CASH EQUIVALENTS – TERRITORIAL

The Directorate holds a number of bank accounts with the Westpac Banking Corporation as part of the whole-of-government banking arrangements.

	2016	2015
	\$'000	\$'000
Cash at Bank	18	-
Total Cash and Cash Equivalents	18	-

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 51 RECEIVABLES – TERRITORIAL

	2016 \$'000	Restated 2015 \$'000
Current Receivables		
Trade Receivables	1,822	2,395
Less: Allowance for Impairment Losses	(13)	(48)
	<u>1,809</u>	<u>2,347</u>
Accrued Revenue ^a	57,670	115,617
Total Current Receivables	<u>59,479</u>	<u>117,964</u>
Total Receivables	<u>59,479</u>	<u>117,964</u>

a) The balance of the accrued revenue represents land sales to the Land Development Agency. The decrease is associated with the scheduling of the land release program.

Ageing of Receivables

	Not Overdue	Overdue			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000
2016					
Not Impaired^b					
Receivables	59,474	-	2	3	59,479
Impaired					
Receivables	-	-	-	13	13
2015					
Not Impaired^b					
Receivables	117,124	840	-	-	117,964
Impaired					
Receivables	-	38	-	10	48

b) 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables).

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 51 RECEIVABLES – TERRITORIAL – CONTINUED

	2016 \$'000	2015 \$'000
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	48	552
Additional Allowance Recognised	6	19
Reduction in Allowance from Amounts Recovered ^c	(29)	(6)
Reduction in Allowance from Amounts Written off	(12)	(517)
Allowance for Impairment Losses at the End of the Reporting Period	<u>13</u>	<u>48</u>

c) Amount included in bad debts recovered

	2016 \$'000	Restated 2015 \$'000
--	----------------	----------------------------

Classification of ACT Government/Non-ACT Government Receivables

Receivables with ACT Government Entities

Trade Receivables	61	124
Accrued Revenue ^d	57,572	115,452
Total Receivables with ACT Government Entities	<u>57,633</u>	<u>115,576</u>

Receivables with Non-ACT Government Entities

Trade Receivables	1,748	2,223
Accrued Revenue	98	165
Total Receivables with Non-ACT Government Entities	<u>1,846</u>	<u>2,388</u>
Total Receivables	<u>59,479</u>	<u>117,964</u>

d) Accrued revenue represents land sales to the Land Development Agency.

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 52 INVENTORIES – TERRITORIAL

	2016 \$'000	2015 \$'000
Current Inventories		
Inventories Held for Sale		
Inventories Land Held for Sale ^a	133	-
Total Inventories Held for Sale	<u>133</u>	<u>-</u>
Total Inventories	<u>133</u>	<u>-</u>

a) Inventories held for sale represents 267 hectares of land transferred from Controlled.

NOTE 53 PAYABLES – TERRITORIAL

	2016 \$'000	Restated 2015 \$'000
Current Payables		
Net Goods and Services Tax Payable	139	162
Accrued Expenses ^a	59,491	117,802
Total Current Payables	<u>59,630</u>	<u>117,964</u>
Total Payables	<u>59,630</u>	<u>117,964</u>

a) Accrued expenses represent the anticipated payment to the Territory Banking Account of Territorial revenues collected and receivable at the end of the reporting period relating to accrued land sales and fees and fines. The decrease is associated with the scheduling of the land release program.

Payables are Aged as Follows:

Not Overdue	59,630	117,964
Total Payables	<u>59,630</u>	<u>117,964</u>

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Accrued Expenses	59,491	117,802
Total Payables with ACT Government Entities	<u>59,491</u>	<u>117,802</u>

Payables with Non-ACT Government Entities

Net Goods and Services Tax Payable	139	162
Total Payables with Non-ACT Government Entities	<u>139</u>	<u>162</u>
Total Payables	<u>59,630</u>	<u>117,964</u>

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 54 FINANCIAL INSTRUMENTS – TERRITORIAL

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

Interest Rate Risk

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

The Directorate currently has all of its financial assets and financial liabilities held in non-interest bearing arrangements. This means that the Directorate is not exposed to any movements in interest rates, and does not have any interest rate risk.

The annual interest rate relating to holding charges applied to the LDA is set by the ACT Government prospectively and has not changed throughout the year.

The Directorate's exposure to Interest Rate Risk and the management of this risk has not changed since the previous reporting period.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Directorate as it is not exposed to any movements in interest rates.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Directorate's credit risk is limited to the amount of the financial assets held less any allowance for losses. There is no collateral held as security for financial assets. The primary credit risk arises from account holders for commercial waste disposal at ACT landfills. This risk is addressed through approval of credit applications, monitoring debt ageing reports, facility access restrictions and formal debt recovery processes.

The Directorate's exposure to credit risk and the management of this risk has not changed since the previous reporting period.

Liquidity Risk

Liquidity risk is the risk that the Directorate will be unable to meet its financial obligations as they fall due that are settled by delivering cash or another financial asset. The Directorate's main financial obligation relates to the transfer to the ACT Government of land sales revenue, interest revenue and waste acceptance fees. Due to the transfer processes in place, no liquidity risk arises.

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

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 54 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, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Directorate holds only cash and receivables which are not subject to changes in values, and as a result, is not considered to have any price risk. Accordingly, a sensitivity analysis of price risk has not been undertaken.

Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and liabilities at balance date are:

	Note No.	Carrying Amount 2016 \$'000	Fair Value 2016 \$'000	Carrying Amount 2015 \$'000	Fair Value 2015 \$'000
Financial Assets					
Cash and Cash Equivalents	50	18	18	-	-
Receivables	51	1,809	1,809	2,347	2,347
Total Financial Assets		1,827	1,827	2,347	2,347
Financial Liabilities					
Payables	53	-	-	-	-
Total Financial Liabilities		-	-	-	-

Accrued revenue and expenses have been excluded as they do not meet the definition of a financial instrument.

Fair Value Hierarchy

The Directorate's financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not subject to the Fair Value Hierarchy.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 54 FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED

The following table sets out the maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2016. All financial assets and liabilities which are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
			1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	50	-	-	-	-	18	18
Receivables	51	-	-	-	-	1,809	1,809
Total Financial Assets		-	-	-	-	1,827	1,827
Financial Liabilities							
Net Financial Assets							
		-	-	-	-	1,827	1,827

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 54 FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED

The following table sets out the Directorate's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2015. All financial assets and liabilities which are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments								
Financial Assets								
Receivables	51	-	-	-	-	-	2,347	2,347
Total Financial Assets			-	-	-	-	2,347	2,347
Financial Liabilities								
Net Financial Assets			-	-	-	-	2,347	2,347

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

NOTE 54 FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED

	2016 \$'000	2015 \$'000
Carrying Amount of Each Class of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables Measured at Amortised Cost	1,809	2,347

The Directorate does not have any financial assets in the 'Financial Assets at Fair Value through Profit and Loss' category, 'Available for Sale' category or the 'Held to Maturity' category and as such these categories are not included above.

The Directorate does not have any financial liabilities in the 'Financial Liabilities Measured at Amortised Cost' or 'Financial Liabilities at Fair Value through Profit and Loss' categories and as such are not included above.

NOTE 55 CASH FLOW RECONCILIATION – TERRITORIAL

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement on Behalf of the Territory to the 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	18	-
Cash at the end of the Reporting Period as Recorded in the Cash Flow Statement on Behalf of the Territory	18	-

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

Operating Surplus/(Deficit)	-	-
Cash Before Changes in Operating Assets and Liabilities	-	-
Changes in Operating Assets and Liabilities		
Decrease in Receivables	58,485	54,665
(Decrease) in Payables	(58,334)	(54,665)
(Increase) in Inventory	(133)	-
Net Changes in Operating Assets and Liabilities	18	-
Net Cash Inflows from Operating Activities	18	-

**Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016**

**NOTE 56 CONTINGENT LIABILITIES AND CONTINGENT ASSETS –
TERRITORIAL**

There were no contingent liabilities or contingent assets at 30 June 2016 (Nil at 30 June 2015).

There were no indemnities at 30 June 2016 (Nil at 30 June 2015).

NOTE 57 EVENTS OCCURING AFTER BALANCE DATE – TERRITORIAL

A change to the ACT Government came into effect on 1 July 2016 through *Notifiable Instrument NI2016-178 Administrative Arrangements 2016 (No 3)*, Capital Metro Agency ceased to be a separate reporting entity. CMA's functions amalgamated with the Directorate to become the Transport Canberra and City Services Directorate.

The financial effect of the administrative arrangements is not reflected in the financial statements.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 58 BUDGETARY REPORTING – TERRITORIAL – EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met:

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

Statement of Income and Expenses on Behalf of The Territory Line Items	Actual 2015-16 \$'000	Original Budget ¹		Variance Explanations	
		2015-16 \$'000	2015-16 \$'000	Variance \$'000	Variance %
Land Sale Revenue	21,476	80,174	(58,698)	(73.21)	The lower than budgeted for land sale revenue relates to the change in the timing of recognising the land sale (refer to Note 3 <i>Change in Accounting Policy, Accounting Estimates, Correction of Prior Period Error</i>).
Transfer to Government	42,786	101,290	(58,504)	(57.76)	The lower than budgeted transfer to Government reflects the variations in revenues described above.

Territory and Municipal Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 58 BUDGETARY REPORTING – TERRITORIAL – EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS – CONTINUED

Statement of Assets and Liabilities on Behalf of The Territory Line Items	Actual 2015-16 \$'000	Original Budget ¹		Variance		Variance Explanations
		2015-16 \$'000	2015-16 \$'000	Variance \$'000	Variance %	
Current Receivables	59,479	25,201	34,278	136.02		The higher than budgeted receivables relates to the change in the timing of recognising the land sale (refer to Note 3 <i>Change in Accounting Policy, Accounting Estimates, Correction of Prior Period Error</i>).
Current Payables	59,630	25,201	34,429	136.62		The higher than budgeted payables relates to the change in the timing of recognising the land sale (refer to Note 3 <i>Change in Accounting Policy, Accounting Estimates, Correction of Prior Period Error</i>).

Statement of Changes in Equity

These line items are covered in other financial statements.

Statement of Cash Flows

There is no variance for Cash Flow Statement.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

FINANCIAL STATEMENTS OF ACTION

**FOR THE YEAR ENDED
30 JUNE 2016**

INDEPENDENT AUDIT REPORT

ACTION

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of ACTION for the year ended 30 June 2016 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

Responsibility for the financial statements

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

The auditor's responsibility

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

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

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

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

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

Electronic presentation of the audited financial statements

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

Independence

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

Audit opinion

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

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

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



Dr Maxine Cooper
Auditor-General
14 September 2016

ACTION
Financial Statements
For the Year Ended 30 June 2016

Statement of Responsibility

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



Emma Thomas
Director-General
Transport Canberra and City Services Directorate
14 September 2016

ACTION
Financial Statements
For the Year Ended 30 June 2016

Statement by the Chief Finance Officer

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



Gordon Elliott

Chief Finance Officer

Transport Canberra and City Services Directorate

14 September 2016

ACTION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2016

ACTION

Operating Statement

For the Year Ended 30 June 2016

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Income				
<i>Revenue</i>				
User Charges – ACT Government	3	103,604	106,392	106,626
User Charges – Non-ACT Government	3	24,216	24,723	23,455
Resources Received Free of Charge	4	380	-	409
Other Revenue	5	1,797	767	2,677
Total Revenue		129,997	131,882	133,167
<i>Gains</i>				
Other Gains	6	-	-	275
Total Gains		-	-	275
Total Income		129,997	131,882	133,442
Expenses				
Employee Expenses	7	88,010	87,346	85,608
Superannuation Expenses	8	9,594	9,836	9,644
Supplies and Services	9	35,093	35,317	36,844
Depreciation and Amortisation	10	11,249	11,434	10,950
Borrowing Costs	11	343	363	399
Other Expenses	12	492	101	1,025
Total Expenses		144,781	144,397	144,470
Income Tax Equivalents Expense	32	-	-	-
Operating (Deficit)		(14,784)	(12,515)	(11,028)
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus	28	31	-	281
Total Other Comprehensive Income		31	-	281
Total Comprehensive (Deficit)		(14,753)	(12,515)	(10,747)

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

ACTION only has one output class and as such the above Operating Statement is also ACTION's Operating Statement for the Public Transport Output Class.

ACTION
Balance Sheet
At 30 June 2016

	Note	Actual	Original	Actual
	No.	2016	Budget	2015
		\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents	16	3,914	1,861	7,118
Receivables	17	5,037	3,481	3,336
Inventories	18	3,166	3,287	2,931
Assets Held for Sale	19	-	52	65
Other Assets	20	524	996	786
Total Current Assets		12,641	9,677	14,236
Non-Current Assets				
Property, Plant and Equipment	21	151,633	150,345	146,373
Intangible Assets	22	409	682	546
Capital Works in Progress	23	4,001	2,470	2,517
Total Non-Current Assets		156,043	153,497	149,436
Total Assets		168,684	163,174	163,672
Current Liabilities				
Payables	24	1,328	3,523	1,768
Interest-Bearing Liabilities	25	341	341	341
Finance Leases		-	188	-
Employee Benefits	26	22,737	20,065	21,718
Other Liabilities	27	3,935	2,880	3,349
Total Current Liabilities		28,341	26,997	27,176
Non-Current Liabilities				
Interest-Bearing Liabilities	25	2,045	2,045	2,386
Finance Leases		-	93	-
Employee Benefits	26	1,280	1,420	1,210
Total Non-Current Liabilities		3,325	3,558	3,596
Total Liabilities		31,666	30,555	30,772
Net Assets		137,018	132,619	132,900
Equity				
Accumulated Funds	28	104,044	99,957	99,957
Asset Revaluation Surplus	28	32,974	32,662	32,943
Total Equity		137,018	132,619	132,900

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

ACTION only has one output class and as such the above Balance Sheet is also ACTION's Balance Sheet for the Public Transport Output Class.

ACTION
Statement of Changes in Equity
For the Year Ended 30 June 2016

		Accumulated	Asset	Total	Original
		Funds	Revaluation	Equity	Budget
		Actual	Surplus	Actual	
		2016	2016	2016	2016
	Note	\$'000	\$'000	\$'000	\$'000
	No.				
Balance at 1 July 2015		99,957	32,943	132,900	128,320
Comprehensive Income					
Operating (Deficit)		(14,784)	-	(14,784)	(12,515)
Increase in the Asset Revaluation Surplus	28	-	31	31	-
Total Comprehensive (Deficit)/Income		(14,784)	31	(14,753)	(12,515)
Transactions Involving Owners Affecting Accumulated Funds					
Capital Payments from the Territory and Municipal Services Directorate		18,871	-	18,871	16,814
Total Transactions Involving Owners Affecting Accumulated Funds		18,871	-	18,871	16,814
Balance at 30 June 2016		104,044	32,974	137,018	132,619

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

ACTION
Statement of Changes in Equity - Continued
For the Year Ended 30 June 2016

		Accumulated Funds Actual 2015 \$'000	Asset Revaluation Surplus Actual 2015 \$'000	Total Equity Actual 2015 \$'000
	Note No.			
Balance at 1 July 2014		92,044	32,662	124,706
Comprehensive Income				
Operating (Deficit)		(11,028)	-	(11,028)
Increase in the Asset Revaluation Surplus	28	-	281	281
Total Comprehensive (Deficit)/Income		(11,028)	281	(10,747)
Transactions Involving Owners Affecting Accumulated Funds				
Capital Payments from the Territory and Municipal Services Directorate		18,941	-	18,941
Total Transactions Involving Owners Affecting Accumulated Funds		18,941	-	18,941
Balance at 30 June 2015		99,957	32,943	132,900

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

ACTION

Cash Flow Statement

For the Year Ended 30 June 2016

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Cash Flows from Operating Activities				
Receipts				
User Charges – ACT Government		104,805	106,392	107,678
User Charges – Non-ACT Government		23,888	24,723	23,742
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		6,395	2,185	6,176
Goods and Services Tax Collected from Customers		2,888	1,980	2,768
Commonwealth Government Grants		1,904	767	1,800
Total Receipts from Operating Activities		139,880	136,047	142,164
Payments				
Employees		88,204	93,064	84,184
Superannuation		9,914	9,839	9,704
Supplies and Services		35,527	30,958	36,649
Borrowing Costs		343	364	399
Goods and Services Tax Paid to Suppliers		6,424	1,996	6,159
Goods and Services Tax Remitted to the Australian Taxation Office		2,853	2,171	2,709
Other		285	101	318
Total Payments from Operating Activities		143,550	138,493	140,122
Net Cash (Outflows)/ Inflows from Operating Activities	33	(3,670)	(2,446)	2,042
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Property, Plant and Equipment		96	-	47
Total Receipts from Investing Activities		96	-	47
Payments				
Payments for Property, Plant and Equipment		18,160	16,814	15,220
Total Payment from Investing Activities		18,160	16,814	15,220
Net Cash (Outflows) from Investing Activities		(18,064)	(16,814)	(15,173)

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

ACTION
Cash Flow Statement - Continued
For the Year Ended 30 June 2016

	Note No.	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Cash Flows from Financing Activities				
Receipts				
Capital Payments from the Territory and Municipal Services Directorate		18,871	16,814	18,942
Total Receipts from Financing Activities		18,871	16,814	18,942
Payments				
Repayment of Borrowings		341	341	341
Repayment of Finance Lease Liabilities		-	-	144
Total Payment from Financing Activities		341	341	485
Net Cash Inflows from Financing Activities		18,530	16,473	18,457
Net (Decrease)/Increase in Cash and Cash Equivalents		(3,204)	(2,787)	5,325
Cash and Cash Equivalents at the Beginning of the Reporting Period		7,118	4,648	1,793
Cash and Cash Equivalents at the End of the Reporting Period	33	3,914	1,861	7,118

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

ACTION

Note Index of the Financial Statements

For the Year Ended 30 June 2016

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ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2016

NOTE 1 OBJECTIVES OF ACTION

Legal Form and Principal Place of Business

The Australian Capital Territory Internal Omnibus Network (ACTION) is a commercial operation within the Infrastructure, Roads and Public Transport Division of the Territory and Municipal Services Directorate. ACTION is a separate reporting entity with its own financial information, strategy and accountability indicators.

ACTION's principal place of business is at ACTION House, 200 Scollay Street, Tuggeranong, in the Australian Capital Territory (ACT).

Operations and Principal Activities

Public transport in the ACT is provided by ACTION and includes the following services:

- a public bus and school services network providing a range of express and route services to and from most suburbs;
- a special needs transport service providing door to door service for disadvantaged children in the ACT community;
- community and flexible transport services for residents unable to access ACTION route services;
- a charter bus service provided at commercial rates; and
- management of the ACT rural bus contract.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The *Financial Management Act 1996* (FMA) requires ACTION to prepare annual financial statements.

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

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

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

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

ACTION

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(a) Basis of Preparation - Continued

As disclosed in the Balance Sheet, at 30 June 2016, ACTION's current liabilities (\$28.341 million) exceeded its current assets (\$12.641 million) by \$15.700 million. The current liabilities balance relates primarily to leave liabilities which are not expected to be paid within 12 months of the reporting period. This is not considered to be a liquidity risk as ACTION receives service payments from the ACT Government through the Territory and Municipal Services Directorate. This is consistent with the whole of government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for assets such as those included in assets held for sale and property, plant and equipment, which have been valued at fair value in accordance with ACTION's revaluation policies.

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

ACTION is an individual reporting entity.

(b) The Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of ACTION for the year ending 30 June 2016 and the financial position of ACTION at 30 June 2016.

(c) Comparatives Figures

Budget Figures

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

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(d) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of “-” represents zero amounts or amounts rounded down to zero.

(e) Revenue Recognition

Revenue is recognised in the Operating Statement at the fair value of the consideration received or receivable. In addition, the following recognition criteria must also be met before revenue is recognised:

ACT Government User Charges

User Charges – ACT Government includes service payments from the General Government Sector, concessional travel payments, special needs transport, charter and recoveries from other ACT Government entities.

This revenue is recognised in the Operating Statement when ACTION has obtained control of the revenue, it is probable that the economic benefits will flow to ACTION and the amount of revenue can be reliably measured.

Non-ACT Government User Charges

User Charges – Non-ACT Government includes revenue from fares, charter, advertising and other receipts from non-ACT Government entities and is recorded when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to ACTION.

Cash received for prepaid balances on MyWay cards prior to travel being undertaken, is initially recognised as revenue received in advance. Revenue for these prepaid balances is recognised progressively as passengers use the prepaid balance on the bus.

Revenue is not recognised in ACTION's financial statements if a fare is not collected by ACTION as it is not probable that the economic benefits associated with the transaction will flow to ACTION. This may occur when fares are unable to be collected as a result of failures of the ticketing system or a person is identified as exempt from paying a fare under the *Road Transport (Public Passenger Services) Regular Route Services Maximum Fares Determination*.

(f) Resources Received and Provided Free of Charge

Resources received free of charge are recorded as a revenue and expense in the Operating Statement at fair value. The revenue is separately disclosed under Note 4 *Resources Received and Provided Free of Charge*, with the expense being recorded in the line item to which it relates. Goods and services received free of charge from ACT Government agencies are recorded as 'resources received free of charge' whereas goods and services received free of charge, from entities external to the ACT Government are recorded as donations. Services that are received free of charge are only recorded in the Operating Statement if they can be reliably measured and would have been purchased if not provided to ACTION free of charge.

Resources provided free of charge are recorded as an expense against the line item to which they relate.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(g) Repairs and Maintenance

ACTION undertakes cyclical maintenance on its plant and equipment, buildings and buses. Where the maintenance leads to an upgrade of the asset, and increases the service potential of the existing buildings, buses or plant and equipment, the cost is capitalised. Maintenance expenses, which do not increase the service potential of the asset are expensed.

(h) Borrowing Costs

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

(i) Waivers of Debt

Debts that are waived under Section 131 of the FMA are expensed during the reporting period in which the right to receive payment was waived. Further details of waivers are disclosed at Note 13 *Waivers, Impairment Losses and Write-offs*.

(j) Current and Non-Current Items

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

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

(k) Impairment of Assets

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

Any resulting impairment losses for all assets are recognised as a decrease to the Asset Revaluation Surplus, where one exists. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement.

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

(l) Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. For the purposes of the Cash Flow Statement and Balance Sheet, cash includes cash at bank and cash on hand.

(m) Receivables

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

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(m) Receivables - Continued

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

- (a) becoming aware of financial difficulties of debtors;
- (b) default payments; or
- (c) debts more than 90 days overdue.

The movement in the allowance account is recognised in the Operating Statement. The allowance for impairment losses is written-off against the allowance account when ACTION ceases taking action to collect the debt.

Decisions to cease pursuing a debt are made following an assessment of the recoverability of the debt, the costs to continue to pursue the debt and the value of the debt.

(n) Inventories

Inventories are held for distribution and valued at weighted average cost and adjusted when applicable for any loss of service potential. Weighted average cost comprises the purchase price of inventories averaged over the number of units held for each inventory item. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Any adjustments required for a loss in service potential are determined using the weighted average cost less the value of any impairment associated with the inventory items.

(o) Assets Held for Sale

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

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less cost to sell. Assets held for sale are not depreciated.

(p) Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost.

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

Where payment for the property, plant and equipment is deferred beyond normal credit terms, the difference between its cash price equivalent and the total payment is measured as interest over the period of credit. The discount rate used to calculate the cash price equivalent is an asset specific rate.

The capitalisation threshold for property, plant and equipment is \$5,000.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(q) Measurement of Property, Plant and Equipment After Initial Recognition

Property, plant and equipment is measured at fair value.

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

Fair value for buildings, leasehold improvements, and community and heritage assets is measured by reference to the cost of replacing the remaining future economic benefits embodied in the asset (i.e. depreciated replacement cost). This is the cost approach valuation technique.

The valuation approach taken to determine the fair value of buses is based on the existence of a market for second-hand buses. The method used to value the bus fleet is as follows:

- for late model (up to 7 years old) and compressed natural gas (CNG) buses, as there is an absence of a secondary sales market, these buses have been valued using the depreciated replacement cost method; and
- for diesel buses 7 years or older, a market approach is used.

Fair value for plant and equipment is predominantly measured using the market valuation approach where a secondary sales market is shown to exist. Specialised plant and equipment such as fuel installations, CCTV, spray booths and bike racks are measured at fair value using depreciated replacement cost as there is an absence of a secondary sales market.

All assets are revalued every 3 years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the assets will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to buildings, buses, and plant and equipment 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.

(r) Intangible Assets

ACTION's intangible assets are comprised of internally generated software for internal use. Externally acquired software is recognised and capitalised when:

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

ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(r) Intangible Assets - Continued

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

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

Intangible assets are measured at cost.

(s) Depreciation and Amortisation of Non-Current Assets

Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as buildings, leasehold improvements, buses and plant and equipment. Land and the community and heritage asset have unlimited useful lives and are therefore not depreciated.

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

Depreciation and amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation/ Amortisation	Useful Life (Years)
Buildings	Straight Line	50
Leasehold Improvements	Straight Line	10
Buses	Straight Line	20-25
Plant and Equipment	Straight Line	2-20
Internally Generated Intangibles	Straight Line	5

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

(t) Payables

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

Payables include trade payables, accrued expenses and other payables.

(u) Interest-Bearing Liabilities

Interest-bearing liabilities are financial liabilities. They are measured at amortised cost with any adjustments to the carrying amount being recorded in the Operating Statement. The associated interest expense is recognised in the reporting period in which it occurs.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(v) Leases

ACTION has entered into operating leases.

Operating Leases

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

Motor Vehicle Leasing Arrangements 2014-15

Changes were made to the whole of government motor vehicle leasing arrangements with SG Fleet as a result of which all such leases were classified as operating leases rather than finance leases from 23 April 2015. The leased vehicles held as Property, Plant and Equipment (under the previous finance lease arrangement with SG Fleet) were derecognised and the associated loss on the derecognition of the leased vehicle assets reflected under Other Expenses (refer to Note 12 *Other Expenses*). The corresponding finance lease liability (current and non-current) was also derecognised and the associated gain from the derecognition of the liability reflected under Other Gains (refer to Note 6 *Other Gains*).

(w) Employee Benefits

Employee benefits include:

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

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

Wages and Salaries

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

Annual and Long Service Leave

Annual and long service leave including applicable on-costs that are not expected to be wholly settled within 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 the future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(w) Employee Benefits - Continued

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within 3 years. In 2015-16 the rate used to estimate the present value of future annual leave payments is 101.4% (101.0% in 2014-15).

In 2015-16, the rate used to estimate the present value of future payments for long service leave is 114.7% (104.2% in 2014-15). The use of a higher rate resulted in an increase of \$1.47 million to the long service leave liability and related expenses.

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

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

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

(x) Superannuation

Superannuation payments are made to the Territory Banking Account each fortnight, to cover ACTION's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS and PSS employer contribution, but does not include the productivity component. The productivity component is paid directly to the Commonwealth Superannuation Corporation (CSC) by ACTION. The CSS and PSS are defined benefit superannuation plans, meaning that the defined benefits received by employees are based on the employees' years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for employees who are members of other superannuation accumulation schemes. This includes the Public Sector Superannuation Accumulation Plan (PSSAP) and schemes of employee choice. The CSS, PSS and PSSAP are all closed to new employees.

The total Territory superannuation liability for the CSS, PSS, and CSC is recognised in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account and the Commonwealth Superannuation Corporation, and the external schemes recognise the superannuation liability for the PSSAP and other schemes respectively. This superannuation liability is not recognised at an individual agency level.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(x) Superannuation - Continued

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

(y) Equity Contributed by the ACT Government

Contributions made by the ACT Government in its role as owner of ACTION, are treated as contributions of equity. These contributions are transferred to ACTION through the Territory and Municipal Services Directorate.

(z) Insurance

Major risks are insured through the ACT Insurance Authority. An excess of \$10,000 is payable on all claims under this arrangement.

(aa) Budgetary Reporting - Explanations of Major Variances between Actual Amounts and Original Budget Amounts

Explanations of major variances between the 2015-16 original budget and the 2015-16 actual results are discussed in Note 36 *Budgetary Reporting - Explanations of Major Variances between Actual Amounts and Original Budget Amounts*.

The definition of 'major variances' is provided in Note 2(ac) *Significant Accounting Judgements and Estimates – Budgetary Reporting - Explanations of Major Variances between Actual Amounts and Original Budget Amounts*.

(ab) Income Tax Equivalents

ACTION falls within the 'National Tax Equivalents Regime' and is required to calculate income tax in accordance with the *Income Tax Assessment Act 1997* and *Income Tax Assessment Act 1936* and to account for the resulting amounts under the requirements of Australian Accounting Standard AASB 112 *Income Taxes*. ACTION has significant carry-forward tax losses that are unlikely to be recovered in the future.

ACTION is exempt from paying federal income tax, so no taxation is actually payable or any refund receivable.

ACTION has assessed that it is not probable that the tax benefits from net deferred tax assets relating to tax losses and temporary differences will be recouped in the future. Accordingly, ACTION has not recognised any net deferred tax assets.

(ac) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, ACTION has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ac) Significant Accounting Judgements and Estimates - Continued

- (1) *Fair Value of Land and Buildings:* ACTION has made a significant estimate regarding the fair value of its land and buildings. The property has been valued by adding the depreciated added value of all improvements to the site value.

Land has been valued by an independent valuer, using the market approach with reference to sales of similar properties.

Building values have been determined by an independent valuer through consideration of the cost to build with reference to the Rawlinsons Australian Construction Handbook 2014, the current age of improvements and the condition of these improvements.

- (2) *Fair Value of Buses:* ACTION has made a significant estimate regarding the fair value of its buses. The valuation approach taken is based on there being a market for second-hand buses. A sales comparison valuation approach has been adopted for all buses with the exception of late model buses and CNG buses. In this situation, as there was an absence of evidence of secondary sales data these buses have been valued at depreciated replacement cost. Buses have been recorded at fair value as determined by an independent valuer.
- (3) *Fair Value of Plant and Equipment:* ACTION has made a significant estimate regarding the fair value of its plant and equipment. The fair value of items of plant and equipment has been determined by an independent valuer as the market value of the respective item, taking into account the total useful life of the item and likely replacement costs.
- (4) *Fair Value of Community and Heritage Asset:* ACTION has made an estimate regarding the fair value of its community and heritage asset. The community and heritage asset has been recorded at fair value as determined by an independent valuer. In the absence of an active secondary market for assets of this type, fair value has been calculated based on replacement cost. This valuation uses judgement and estimates to determine fair value, including the appropriate indexation figure and amount of assets held.
- (5) *Employee Benefits:* Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable.

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

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ac) Significant Accounting Judgements and Estimates - Continued

- (6) *Estimation of Useful Lives of Property, Plant and Equipment:* ACTION has made a significant estimate in determining the useful lives of its property, plant and equipment. The estimation of useful lives of property, plant and equipment has been based on the historical experience of similar assets and in some cases has been based on advice provided by RHAS Pty Ltd and MMJ Valuation and Property Consultancy. The useful lives are re-assessed on an annual basis and any adjustments are made when considered necessary. Further disclosure concerning an asset's useful life can be found at Note 2(s) *Depreciation and Amortisation of Non-Current Assets*.
- (7) *Accounting for Components of Buses:* ACTION has made a significant judgement regarding the recognition and depreciation of each bus, including significant components. ACTION has assessed that the useful lives of significant components of each bus, such as the engine and transmission, are the same as the main component, the bus chassis. Therefore, ACTION accounts for each bus, including all significant components, as one asset and depreciates it over the assessed useful life.
- (8) *Replacement of Driver and Passenger Seats:* ACTION has made a significant judgement regarding the recognition of expenditure on the replacement of driver and passenger seats on its buses. ACTION has determined that the nature of these items is similar to other parts used in maintaining the service functionality of its buses and accounts for these items as inventory, which is expensed at the time of fitting to the buses.
- (9) *Contingent Liabilities and Contingent Assets:* ACTION has made a significant judgement in disclosing the contingent liabilities and contingent assets amounts based on an estimation provided by the ACT Government Solicitor. The ACT Government Solicitor's estimation of contingent liabilities is an estimate of the Territory's likely liability for legal claims against ACTION.
- (10) *Allowance for Impairment of Receivables:* ACTION has made a significant judgement in estimating the allowance for impairment of receivables. The allowance is based on reviews of overdue receivable balances and the movement in the allowance is recognised in the Operating Statement. Further details on the calculation of this estimate are outlined in Note 2(m) *Receivables*.
- (11) *Impairment of Non-Current Assets:* ACTION has made a significant judgement regarding its impairment of its non-current assets by undertaking a process of reviewing any likely impairment factors. ACTION has made an assessment of any indication of impairment by completing an impairment checklist. Where an impairment factor is identified the value of the impairment is recognised against the available carrying amount for the relevant asset class in the Asset Revaluation Surplus. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ac) Significant Accounting Judgements and Estimates - Continued

(12) *Impairment of Buses Not Used 'In Service'*: ACTION has made a significant judgement regarding its impairment of buses not included in its 'in service' bus fleet numbers. The size of ACTION's 'in service' bus fleet varies dependent on the number of buses required to meet peak service demands and the number of buses held as spare to meet this peak demand. Buses held as spare are used to service routes in the event of a scheduled bus being unavailable due to breakdown, accident or normal servicing requirements. ACTION has a physical bus fleet of 478 buses. ACTION's current bus network requires 415 of these buses to be 'in service' to meet peak demand requirements. In addition to the buses required to service the network, ACTION has allocated six buses to service the new City Loop commencing in July 2016 and five older vehicles for training purposes. There are an additional 52 buses which are not required to deliver services as part of the current 'in service' fleet and have been impaired as they no longer continue to be used to deliver services.

(13) *Budgetary Reporting - Explanation of Major Variances between Actual Amounts and Original Budget Amounts*: Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Note 36 *Budgetary Reporting - Explanations of Major Variances between Actual Amounts and Original Budget amounts*. Variances are considered to be major variances if both of the following criteria are met:

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

Further information on this is provided in Note 2(aa) *Budgetary Reporting - Explanation of Major Variances between Actual Amounts and Original Budget Amounts*.

(ad) Accounting Standards Adopted Early for the 2015-16 Reporting Period

AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* and AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-For-Profit Public Sector Entities* have been early adopted for the 2015-16 reporting period, even though the standards are not required to be applied until annual reporting periods beginning on or after 1 July 2016.

ACTION

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ad) Accounting Standards Adopted Early for the 2015-16 Reporting Period - Continued

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

(ae) Impact of Accounting Standards Issued but yet to be Applied

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

- AASB 9 *Financial Instruments* (December 2014) (application date 1 January 2018);

This standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*. The main impact of AASB 9 is that it will change the classification, measurement and disclosures of ACTION's financial assets. This standard may result in additional disclosure requirements for ACTION, however no material financial impact is expected.

- AASB 15 *Revenue from Contracts with Customers* (application date 1 January 2018);

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

- AASB 16 *Leases* (application date 1 January 2019);

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

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ae) Impact of Accounting Standards Issued but yet to be Applied - Continued

- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (application date 1 January 2018);

This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 9 in December 2010. This standard may result in additional disclosure requirements for ACTION, however no material financial impact is expected.

- AASB 2014-1 *Amendments to Australian Accounting Standards – Part E Financial Instruments* [AASB 1, 3, 4, 5, 7, 9 (December 2009), 9 (December 2010), 101, 102, 108, 112, 118, 120, 121, 132, 136, 137, 139, Interpretation 2, 5, 10, 12, 16, 19, and 107] (application date 1 January 2018);

Part E of this standard defers the application of AASB 9 to 1 January 2018. This standard may result in additional disclosure requirements for ACTION, however no material financial impact is expected.

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15* [AASB 1, 3, 4, 9 (December 2009) (December 2010), 101, 102, 112, 116, 132, 134, 134, 137, 138, 139, 140, 1023, 1038, 1039, 1049, 1053, 1056, Interpretation 12, 127, 132, 1031, 1038 & 1052] (application date 1 January 2018);

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

- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2014) [AASB 1, 2, 3, 4, 5, 7, 13, 101, 102, 108, 110, 112, 120, 121, 123, 128, 132, 133, 136, 137, 139, 1023, 1038, 1049, Interpretation 2, 5, 10, 12, 16, 19 & 127] (application date 1 January 2018);

This standard makes consequential amendments to a number of standards and interpretations as a result the issuing of AASB 9 (December 2014). This standard may result in additional disclosure requirements for ACTION, however no material financial impact is expected.

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

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

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ae) Impact of Accounting Standards Issued but yet to be Applied - Continued

- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* (application date 1 January 2017);

This standard amends AASB 107 Statement of Cash Flows to require agencies preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This standard relates to disclosure only and there is no material financial impact on ACTION.

- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15* (application date 1 January 2018);

This standard clarifies the existing requirements of AASB 15. ACTION is unable to estimate the impact of AASB 15 on its financial statements. ACTION will make a more detailed assessment of the impact over the next 12 months.

- AASB 2016-4 to *Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities: Amendments to AASB 136* (application date 1 January 2017);

This standard amends AASB 136 Impairment of Assets. It seeks to simplify and clarify the impairment testing requirements for non-cash generating assets held by not-for-profit public sector entities.

ACTION will make a more detailed assessment of the impact over the next 12 months.

ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2016

NOTE 3 USER CHARGES

User Charges - ACT Government revenue is derived from the provision of bus services to the community as a whole. ACTION received service payments from the ACT Government through the Territory and Municipal Services Directorate, concessional travel payments through the Chief Minister, Treasury and Economic Development Directorate, special needs transport payments through the Education and Training Directorate, and revenue for charter services where ACTION buses were hired by ACT Government directorates.

User Charges - Non-ACT Government revenue is derived from fare revenue, charter services and advertising.

	2016 \$'000	2015 \$'000
User Charges - ACT Government		
Service Payments from the General Government Sector ^a	92,639	95,993
Concessional Travel Payments ^b	8,245	7,882
Special Needs Transport	2,310	2,245
Charter	345	397
Recoveries from Other ACT Government Agencies	65	109
Total User Charges - ACT Government	103,604	106,626
User Charges - Non-ACT Government		
Fares ^c	23,118	22,333
Charter	548	573
Advertising	550	549
Total User Charges - Non-ACT Government	24,216	23,455
Total User Charges	127,820	130,081

- a) The decrease in services payments reflects decreased funding resulting from the transfer of some functions from ACTION to the Public Transport branch within the Territory and Municipal Services Directorate and savings initiatives implemented in 2015-16.
- b) The increase in concessional travel payments is due to a widening of the gap between full and concession fares resulting from a full fare increase.
- c) The increase in fares reflects the half-year impact of a fare increase in January 2016 and an increase in patronage.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 4 RESOURCES RECEIVED AND PROVIDED FREE OF CHARGE

	2016 \$'000	2015 \$'000
Resources Received Free of Charge		
Legal Services	-	29
Access to Territory Radio Network	380	380
Total Resources Received Free of Charge	380	409
 Resources Provided Free of Charge		
Communications Equipment ^a	60	-
Total Resources Provided Free of Charge	60	-

- a) Resources provided free of charge relate to the provision of communications equipment to the National Arboretum Canberra whilst they were still part of the Territory and Municipal Services Directorate.

ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2016

NOTE 5 OTHER REVENUE

Other revenue relates to grants received from the Commonwealth Government, workers' compensation insurance reimbursements and other recoveries.

	2016 \$'000	2015 \$'000
Revenue from ACT Government Entities		
Other ^a	90	213
Total Other Revenue from ACT Government Entities	90	213
Revenue from Non-ACT Government Entities		
Grants Received from the Commonwealth ^b	1,589	2,110
Workers' Compensation Insurance Reimbursements ^c	69	346
Other	49	8
Total Other Revenue from Non-ACT Government Entities	1,707	2,464
Total Other Revenue	1,797	2,677

- a) Other revenue from ACT Government entities mainly comprises insurance recoveries from the ACT Insurance Authority for damage to buses. The 2014-15 income related to receipts from the ACT Government Restructure Fund to fund staff redundancy payments.
- b) Commonwealth grants comprise fuel tax credits received for fuel used on eligible vehicles on public roads. The decrease in 2015-16 is the result of a one off claim in 2014-15 for prior year credits.
- c) Workers' compensation insurance reimbursements relates to reimbursements received from ACTION's workers' compensation insurer for salary expenses incurred in previous financial years. The decrease in 2015-16 is the result of the finalisation of prior year claims in 2014-15.

NOTE 6 OTHER GAINS

Other gains refers to income which is not part of ACTION's core activities, and mainly include profit on sale of assets or assets recognised for the first time. Other gains are distinct from other revenue, as other revenue arises from the core activities of ACTION.

Gain from De-recognition of Finance Leases ^a	-	275
Total Other Gains	-	275

- a) In 2014-15 ACTION converted its finance leases to operating leases as part of a whole of government leasing arrangement.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 7 EMPLOYEE EXPENSES

	2016	2015
	\$'000	\$'000
Wages and Salaries ^a	62,796	62,338
Annual Leave Expense ^b	4,537	4,826
Long Service Leave Expense ^c	2,798	1,733
Workers' Compensation Insurance Premium ^d	11,430	10,913
Payroll Tax	5,495	5,296
Termination Expense ^e	473	329
Other Employee Benefits and On-Costs ^f	481	173
Total Employee Expenses	88,010	85,608

- a) The increase in wages and salaries expense reflects the pay rises in 2015-16 under the ACTION and Administrative and Related Classifications 2013-2017 Enterprise Agreement and increased weekend service delivery. These were partially offset by the net transfer of 11 corporate and support staff to the TAMS Public Transport branch on 1 July 2015.
- b) The decrease in annual leave expense reflects the impact of the transfer of corporate and support staff to the TAMS Public Transport branch.
- c) The increase in long service leave reflects the use of a higher rate to estimate long service leave liabilities from 104.2% in 2014-15 to 114.7% in 2015-16. This has resulted in an increase of \$1.47m and was partially offset by the transfer of corporate and support staff to the TAMS Public Transport branch.
- d) ACTION's workers' compensation insurance premium increased in 2015-16, reflecting increased wages and salaries and a higher contribution rate.
- e) Termination expense is the result of positions made redundant as a result of a restructure within ACTION's corporate and administrative support section.
- f) The increase in other employee benefits and on-costs is the result of parking price increases above the threshold at commercial car parking facilities in Tuggeranong and Belconnen, resulting in additional fringe benefits tax payable on the provision of car parking at Belconnen and Tuggeranong depots.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 8 SUPERANNUATION EXPENSES

	2016	2015
	\$'000	\$'000
Superannuation Contributions to the Territory Banking Account	5,176	5,551
Productivity Benefit	803	932
Superannuation Payment to Commonwealth Superannuation Corporation (for the PSSAP)	199	205
Superannuation to External Providers	3,416	2,956
Total Superannuation Expenses^a	9,594	9,644

- a) The decrease in superannuation expenses from last year is the result of less contributions to the CSS and PSS superannuation funds offset by an increase in employees contributing to external superannuation providers with a lower contribution rate.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 9 SUPPLIES AND SERVICES

	2016 \$'000	2015 \$'000
(i) Administrative Expenses		
Public Liability Insurance	4,100	3,740
Contractors and Consultants	1,940	2,387
Rent and Utility Charges	1,049	1,335
Systems and Computing Costs	1,380	1,265
Repairs and Maintenance	1,096	1,222
Communications	586	532
Staff Development	402	351
Security Expenses	298	349
Printing and Stationery	97	99
Other	408	459
Total Administrative Expenses	11,356	11,739
(ii) Operating Expenses		
Fuel ^a	10,647	12,439
Bus Maintenance Expenses	8,206	8,033
Contractors and Consultants	485	128
Property and Business Interruption Insurance	1,918	2,051
Other Bus Running Expenses	249	287
Operating Lease Payments ^b	1,069	691
Rural School Services	480	460
Support Vehicles and Fuel Charges	298	225
Advertising and Promotions	35	284
Uniforms	183	260
Insurance Settlements	167	247
Total Operating Expenses	23,737	25,105
Total Supplies and Services	35,093	36,844

a) The reduction in fuel is the result of a lower average fuel price in 2015-16.

b) The increase in operating lease expenses relates to costs of special needs and community buses relating to 2014-15 being reflected in the current reporting period.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 10 DEPRECIATION AND AMORTISATION

	2016 \$'000	2015 \$'000
Depreciation		
Buildings	1,203	1,113
Buses	6,735	6,160
Plant and Equipment	3,154	3,523
Leasehold Improvements	20	18
Total Depreciation	11,112	10,814
Amortisation		
Intangible Assets - Internally Generated Software	137	136
Total Amortisation	137	136
Total Depreciation and Amortisation	11,249	10,950

NOTE 11 BORROWING COSTS

Interest Expense on Borrowings	343	386
Finance Charges on Finance Leases	-	13
Total Borrowing Costs	343	399

NOTE 12 OTHER EXPENSES

Loss on the Sale of Assets	15	32
Loss on De-recognition of Motor Vehicles Under a Finance Lease ^a	-	265
Waivers, Impairment Losses and Write-offs (refer to Note 13)	192	411
Other ACT Government Charges and Taxes	256	226
Capital Works Expensed	29	91
Total Other Expenses	492	1,025

- a) In 2014-15 ACTION converted its finance leases to operating leases as part of a whole of government leasing arrangement.

ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2016

NOTE 13 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Under Section 131 of the *Financial Management Act 1996* (FMA) the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. A waiver is the relinquishment of a legal claim to a debt. ACTION did not request the Treasurer's approval to waive any debts in 2015-16 (Nil in 2014-15).

The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of ACTION to recover the amount. The write-off of debts may occur for reasons other than waivers.

The impairment losses and write-offs listed below have occurred during the reporting period for ACTION.

	No.	2016 \$'000	No.	2015 \$'000
Impairment Losses				
<i>Impairment Losses from Receivables</i>				
Trade Receivables	13	22	11	35
Trade Receivables - Impairment Losses Written Back		(17)		(23)
<i>Total Impairment Losses from Receivables</i>	13	5	11	12
<i>Impairment Loss from Inventory</i>				
Inventory ^a	-	(114)	-	149
<i>Total Impairment Losses from Inventory</i>	-	(114)	-	149
<i>Impairment Loss from Property, Plant and Equipment</i>				
Buses	31	68	17	67
<i>Total Impairment Loss from Property, Plant and Equipment</i>	31	68	17	67
Total Net Impairment Losses	44	(41)	28	228
Write-Offs				
Asset Write-Offs	2	104	17	153
Losses or Deficiencies in Public Monies ^b	3	8	-	-
Irrecoverable Debts	5	13	6	31
Inventory Write Downs and Stock Losses ^c	-	108	-	-
Total Write-Offs	10	233	23	184
Total Net Impairment Losses and Write-Offs	54	192	51	412

- a) The reduction in impairment loss from inventory is the result of a reduction in total impaired value resulting from the write-off of stock held for servicing vehicles which are no longer part of ACTION's operating fleet.
- b) Losses or deficiencies in public monies relate mostly to the write-off of a failed MyWay direct debit.
- c) Inventory write downs relate to the write-off of inventory stock held for the servicing of vehicles no longer in ACTION's operating fleet.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 14 ACT OF GRACE PAYMENTS

There were no act of grace payments made during the current or previous reporting period pursuant to Section 130 of the *Financial Management Act 1996*.

NOTE 15 AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to ACTION by the ACT Audit Office.

	2016 \$'000	2015 \$'000
Audit Fees Payable to the ACT Audit Office	126	122
Total Audit Fees	126	122

No other services were provided by the ACT Audit Office.

NOTE 16 CASH AND CASH EQUIVALENTS

ACTION holds two bank accounts with the Westpac Banking Corporation as part of the whole of government banking arrangements. As part of these arrangements, ACTION does not receive interest on these accounts.

Cash at Bank ^a	3,808	6,993
Cash on Hand	106	125
Total Cash and Cash Equivalents	3,914	7,118

a) The decrease in cash at bank is mainly due to outstanding charges invoiced but not yet received. This decrease corresponds with an increase in receivables at 30 June 2016.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 17 RECEIVABLES

Trade receivables arise from the sale of MyWay credit by registered agents, concession payments by the Chief Minister, Treasury and Economic Development Directorate, recovery of charges from other directorates and the provision of charter and special needs transport services.

	2016 \$'000	2015 \$'000
Current Receivables		
Trade Receivables ^a	3,631	1,722
Less: Allowance for Impairment Losses	(47)	(42)
Other Current Receivables	173	11
	3,757	1,691
Accrued Revenue	868	1,228
Net Goods and Services Tax Receivable	412	417
	1,280	1,645
Total Current Receivables	5,037	3,336

- a) The increase in trade receivables relates to the recovery of employee costs from the Territory and Municipal Services Directorate.

Ageing of Receivables

	Not Overdue \$'000	Overdue			Total \$'000
		Less than 30 Days \$'000	30 to 60 Days \$'000	Greater than 60 Days \$'000	
2016					
Not Impaired^a					
Receivables	4,883	91	12	51	5,037
Impaired^b					
Receivables	-	-	-	47	47
2015					
Not Impaired^a					
Receivables	3,272	17	-	47	3,336
Impaired					
Receivables	-	-	-	42	42

- a) 'Not Impaired' refers to net receivables (that is gross receivables less impaired receivables) which includes \$0.15 million in accident and cost recoveries.
- b) Receivables in excess of 60 days include amounts owing for accident damage. These debts are being followed up in accordance with ACTION's debt collection procedures. However ACTION expects a number of these debts may not be collected and has impaired these in accordance with generally accepted accounting principles.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 17 RECEIVABLES – CONTINUED

	2016 \$'000	2015 \$'000
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	42	30
Additional Allowance Recognised	22	35
Reduction in Allowance resulting from a Write-Back against Receivables	(13)	(3)
Reduction in Allowance from Amounts Written off	(4)	(20)
Allowance for Impairment Losses at the End of the Reporting Period	47	42
Classification of ACT Government/Non-ACT Government		
Receivables from ACT Government Entities		
Net Trade Receivables	3,475	1,609
Accrued Revenue	701	677
Total Receivables from ACT Government Entities	4,176	2,286
Receivables from Non-ACT Government Entities		
Net Trade Receivables	109	71
Accrued Revenue	167	551
Net Goods and Services Tax Receivable	412	417
Other Receivables	173	11
Total Receivables from Non-ACT Government Entities	861	1,050
Total Receivables	5,037	3,336

NOTE 18 INVENTORIES

Current Inventories		
Spare Parts	2,797	2,662
Inventory Work in Progress	441	300
Fuel	122	277
Current Inventories	3,360	3,239
Less: Allowance for Obsolete Inventories	(194)	(308)
Total Current Inventories	3,166	2,931

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 19 ASSETS HELD FOR SALE

	2016 \$'000	2015 \$'000
Buses Held for Sale	-	45
Plant and Equipment Held for Sale	-	20
Total Assets Held for Sale	-	65

Reconciliation of Assets Held for Sale

Assets Held for Sale at the Beginning of the Reporting Period	65	52
Transfers from Plant and Equipment	-	61
Transfers to Plant and Equipment	(38)	-
Sales	(7)	(48)
Impairments & Write-offs	(20)	-
Total Assets Held for Sale	-	65

Fair Value Hierarchy

Details of ACTION's assets held for sale at fair value and information about the Fair Value Hierarchy at 30 June 2015 are as follows:

2015

	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets Held for Sale at Fair Value				
Plant and Equipment	-	20	-	20
Buses	-	45	-	45
	-	65	-	65

The Fair Value Hierarchy is discussed in Note 21 *Property, Plant and Equipment*.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 20 OTHER ASSETS

	2016 \$'000	2015 \$'000
Current Other Assets		
Prepayments	524	786
Total Current Other Assets	524	786

NOTE 21 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following classes of assets:

- *Land* includes leasehold land at Tuggeranong and Belconnen bus depots.
- *Buildings* include bus depots and land improvements. Land improvements are additions to areas of land that increase the utility of the land and have a limited useful life and are depreciated e.g parking lots or retaining walls.
- *Leasehold improvements* represent capital expenditure incurred in relation to leased assets. ACTION has fit-outs in its leased buildings.
- *Buses*.
- *Plant and equipment* includes furniture and fittings, workshop plant and equipment, office equipment, the radio communication system and smartcard ticketing equipment.
- *Heritage assets* are defined as those non-current assets that the ACT Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or for redeployment. The heritage asset held by ACTION is a bus.

Property, plant and equipment does not include assets held for sale.

LAND AND BUILDINGS

Land at Fair Value	13,250	13,250
Total Written Down Value of Land	13,250	13,250
Buildings at Fair Value	22,556	21,722
Less: Accumulated Depreciation	(2,315)	(1,113)
Total Written Down Value of Buildings	20,241	20,609
Total Written Down Value of Land and Buildings	33,491	33,859

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

	2016 \$'000	2015 \$'000
LEASEHOLD IMPROVEMENTS		
Leasehold Improvements at Fair Value	209	192
Less: Accumulated Depreciation	(39)	(19)
Total Written Down Value of Leasehold Improvements	170	173
BUSES		
Buses at Fair Value ^a	114,127	101,741
Less: Accumulated Depreciation	(12,851)	(6,135)
Total Written Down Value of Buses	101,276	95,606
PLANT AND EQUIPMENT		
Plant and Equipment at Fair Value ^b	19,885	16,763
Less: Accumulated Depreciation	(3,209)	(48)
Total Written Down Value of Plant and Equipment	16,676	16,715
HERITAGE AND COMMUNITY ASSET		
Heritage Asset at Fair Value	20	20
Total Heritage and Community Asset at Fair Value	20	20
Total Written Down Value of Property, Plant and Equipment	151,633	146,373

Valuation of Property, Plant and Equipment

RHAS Pty Ltd performed an independent valuation of buses at 30 June 2014. Buses will be revalued again in 2016-17.

MMJ Valuation and Property Consultancy performed an independent valuation of land and buildings at 30 June 2014. Land and buildings will be revalued again in 2016-17.

Plant and equipment and heritage assets were revalued at 30 June 2015 by RHAS Pty Ltd. Plant and equipment and the heritage asset will be revalued again in 2017-18.

- a) The increase in buses relates to the addition of 28 new buses to the ACTION fleet in 2015-16.
- b) The increase in plant and equipment relates to the replacement of fuel storage facilities at the Tuggeranong Depot.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, plant and equipment during 2015-16.

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Buses \$'000	Plant and Equipment \$'000	Heritage and Community Assets \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	13,250	20,609	173	95,606	16,715	20	146,373
Additions	-	835	17	12,472	3,156	-	16,480
Depreciation	-	(1,203)	(20)	(6,735)	(3,154)	-	(11,112)
Disposals	-	-	-	(37)	(88)	-	(125)
Impairment Losses Recognised in the Operating (Deficit)	-	-	-	(68)	-	-	(68)
Other Movements ^a	-	-	-	38	47	-	85
Carrying Amount at the End of the Reporting Period	13,250	20,241	170	101,276	16,676	20	151,633

a) Other movement for plant and equipment includes a revaluation increment of \$0.031m relating to a prior year revaluation correction.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, plant and equipment during 2014-15.

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Buses \$'000	Plant and Equipment \$'000	Heritage and Community Assets \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	13,250	20,876	141	88,829	18,724	10	141,830
Additions	-	846	50	13,059	1,701	-	15,656
Assets Classified as Held for Sale	-	-	-	(55)	(20)	-	(75)
Revaluation Increment Recognised in Other Comprehensive Income	-	-	-	-	271	10	281
Depreciation	-	(1,113)	(18)	(6,160)	(3,523)	-	(10,814)
Disposals	-	-	-	-	(170)	-	(170)
Impairment Losses Recognised in the Operating (Deficit)	-	-	-	(67)	-	-	(67)
Other Movements	-	-	-	-	(268)	-	(268)
Carrying Amount at the End of the Reporting Period	13,250	20,609	173	95,606	16,715	20	146,373

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy

ACTION is required to classify property, plant and equipment into a fair value hierarchy that reflects the significance of the inputs used in determining their fair value. The fair value hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that ACTION can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

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

	Classification According to Fair Value Hierarchy 2016			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment at Fair Value				
Land	-	13,250	-	13,250
Buildings	-	-	20,241	20,241
Leasehold Improvements	-	-	170	170
Buses	-	1,902	99,374	101,276
Plant and Equipment	-	214	16,462	16,676
Heritage and Community Asset	-	-	20	20
	-	15,366	136,267	151,633

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

	Classification According to Fair Value Hierarchy 2015			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment at Fair Value				
Land	-	13,250	-	13,250
Buildings	-	-	20,609	20,609
Leasehold Improvements	-	-	173	173
Buses	-	2,601	93,005	95,606
Plant and Equipment	-	348	16,367	16,715
Heritage and Community Asset	-	20	-	20
	-	16,219	130,154	146,373

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Transfers between Categories

In 2015-16 ACTION transferred the heritage asset from level 2 to level 3 as there were unobservable inputs related to this asset.

In 2014-15 ACTION transferred several plant and equipment assets from level 3 to level 2 as a result of the valuation process.

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: the valuation technique used to value land is the market approach that reflects recent transaction prices for similar properties (comparable in location and size).

Inputs: 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.

Level 3 Valuation Techniques and Inputs

Valuation Technique: Buildings and leasehold improvements were considered specialised and measured using the cost approach that reflects the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For Buildings, historical cost per square metre of floor area was also used in measuring fair value.

Inputs: In determining the value of buildings and leasehold improvements 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 ACTION.

Valuation Technique: the valuation technique used to value the heritage asset is based on replacement cost.

Inputs: Due to the absence of observable inputs judgement and estimates have been used in determining the value of the heritage asset. Consideration is given to the heritage benefits embodied in the asset.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Valuation Techniques, Inputs and Processes - Continued

Combined Level 2 and Level 3 Techniques and Inputs

Valuation Technique: Valuation for buses uses both the market and cost techniques, depending on the age and type of bus.

Inputs: Depending on the existence or absence of secondary market activity for buses less than or greater than 12 years old, either cost or market factors, such as market transactions of comparable vehicles and replacement cost, are considered in valuing the fleet.

Valuation Technique: Valuation for plant and equipment is predominantly measured using the market valuation approach where a secondary sales market is shown to exist. Specialised plant and equipment such as fuel installations, CCTV, spray booths and bike racks are measured at fair value using the depreciated replacement cost.

Inputs: In determining the value of plant and equipment regard was given to the existence of a secondary sales market involving assets comparable in age and condition. Where there is an absence of a secondary sales market, consideration is given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to ACTION.

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

Transfers between fair value levels are recognised on the date of the event or change in circumstances that caused the transfer.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value measurements using significant unobservable inputs (level 3)

2016	Buildings \$'000	Leasehold Improvements \$'000	Buses \$'000	Plant and Equipment \$'000	Heritage and Community Asset \$'000
Fair Value at the Beginning of the Reporting Period					
Additions	20,609	173	93,005	16,367	-
Depreciation	835	17	12,538	3,154	-
Disposals	(1,203)	(20)	(6,169)	(3,018)	-
Transfer from Level 2	-	-	-	(88)	-
Other Movements	-	-	-	-	20
Fair Value at the End of the Reporting Period	20,241	170	99,374	16,462	20

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair value measurements using significant unobservable inputs (Level 3)

2015	Buildings \$'000	Leasehold Improvements \$'000	Buses \$'000	Plant and Equipment \$'000	Heritage and Community Asset \$'000
Fair Value at the Beginning of the Reporting Period					
Additions	20,876	141	85,481	18,724	10
Assets Classified as Held for Sale	846	50	13,059	1,701	-
Revaluation Increments Recognised in Other Comprehensive Income	-	-	-	(20)	-
Depreciation	(1,113)	(18)	(5,535)	271	10
Disposals	-	-	-	(3,523)	-
Transfer to Level 2	-	-	-	(170)	-
Other Movements	-	-	-	(348)	(20)
	-	-	-	(268)	-
Fair Value at the End of the Reporting Period	20,609	173	93,005	16,367	-

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Information about Significant Unobservable Inputs (Level 3) in Fair Value Measurements

Item	Fair Value at 30 June		Significant Unobservable Inputs
	2016 \$000	2015 \$000	
Valuation Technique: Depreciated Replacement Cost			
Buildings	20,241	20,609	Construction cost per sqm
			% of economic benefit consumed
Leasehold Improvements	170	173	Replacement cost of new asset
			Remaining useful life
			Total useful life
Buses	99,374	93,005	Replacement cost of new bus
			Remaining useful life
			Total useful life
Plant and Equipment	16,462	16,367	Replacement cost of new asset
			Remaining useful life
			Total useful life
Valuation Technique: Replacement Cost			
Community and Heritage Asset	20	-	Replacement cost of new asset

Assets where Current Use is not Highest and Best Use

ACTION considers that the current use of all property, plant and equipment is the highest and best use of those assets.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 22 INTANGIBLE ASSETS

ACTION has internally generated software to monitor fuel use within the ACTION bus fleet.

	2016 \$'000	2015 \$'000
Internally Generated Software		
Computer Software at Cost	682	682
Less: Accumulated Amortisation	(273)	(136)
Total Internally Generated Software	409	546
Total Intangible Assets	409	546

Reconciliation of Intangible Assets

The following table shows the movement of intangible assets

Carrying Amount at the Beginning of the Reporting Period	546	682
Amortisation	(137)	(136)
Carrying Amount at the End of the Reporting Period	409	546

NOTE 23 CAPITAL WORKS IN PROGRESS

Capital works in progress are assets being constructed over a period of time in excess of the present reporting period. Capital works in progress are not depreciated as ACTION is not currently deriving any economic benefit from them.

Buses ^a	4,001	1,984
Fuel Facilities	-	522
Other	-	11
Total Capital Works in Progress	4,001	2,517

- a) Progress payments are made as part of the bus replacement program. The increase in buses is due to a delay in capitalisation of four buses as a result of further work required to be undertaken before they can be placed into service.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 23 CAPITAL WORKS IN PROGRESS - CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement of capital works in progress during 2015-16.

	Buildings Works in Progress \$'000	Buses Works in Progress \$'000	Plant and Equipment Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	-	1,984	533	2,517
Additions	579	14,492	3,815	18,886
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(579)	(12,473)	(3,348)	(16,400)
Capital Works in Progress Completed and Transferred to Expenses ^a	-	(2)	(1,000)	(1,002)
Carrying Amount at the End of the Reporting Period	-	4,001	-	4,001

a) Capital works expensed includes capital funded parts of \$0.91 million and communications equipment transferred to the National Arboretum Canberra of \$0.06 million (refer to Note 9 Supplies and Services) and \$0.03 million (refer Note 12 Other Expenses) related to other expenditure that did not meet the capitalisation criteria.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 23 CAPITAL WORKS IN PROGRESS - CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement of capital works in progress during 2014-15.

	Buildings Works in Progress \$'000	Leasehold Improvements Works in Progress \$'000	Buses Works in Progress \$'000	Plant and Equipment Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	-	-	3,076	145	3,221
Additions	845	50	11,992	3,110	15,997
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(845)	(50)	(13,061)	(1,502)	(15,458)
Capital Works in Progress Completed and Transferred to Expenses ^a	-	-	(23)	(1,220)	(1,243)
Carrying Amount at the End of the Reporting Period	-	-	1,984	533	2,517

- a) Capital works expensed relates to \$1.1 million of capital funded upgrades parts (refer to Note 9 Supplies and Services) and \$0.1 million for capital works completed that did not meet the capitalisation criteria (refer Note 12 Other Expenses).

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 24 PAYABLES

	2016 \$'000	2015 \$'000
Current Payables		
Trade Payables	104	-
Other Payables	29	43
	<u>133</u>	<u>43</u>
Accrued Expenses ^a	1,195	1,725
Total Current Payables	<u>1,328</u>	<u>1,768</u>
 Payables are aged as follows:		
Not Overdue	1,328	1,768
Total Payables	<u>1,328</u>	<u>1,768</u>
 Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Other Payables	-	43
Accrued Expenses	350	398
Total Payables with ACT Government Entities	<u>350</u>	<u>441</u>
 Payables with Non-ACT Government Entities		
Trade Payables	104	-
Other Payables	29	-
Accrued Expenses	845	1,327
Total Payables with Non-ACT Government Entities	<u>978</u>	<u>1,327</u>
Total Payables	<u>1,328</u>	<u>1,768</u>

- a) The decrease in accrued expenses reflects a reduced capital accrual as invoices were received and paid prior to the end of the reporting period.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 25 INTEREST-BEARING LIABILITIES

ACTION has Commonwealth Government borrowings that were obtained at the time of self-government and are being repaid through principal and interest payments to the Territory Banking Account, which then pays the Commonwealth Government. The fixed interest rate for these borrowings is 12.57% and the principal will be fully repaid during 2022-23.

	2016 \$'000	2015 \$'000
Current Interest-Bearing Liabilities		
Unsecured		
Commonwealth Borrowings (Land and Buildings Original Loan)	341	341
Total Current Borrowings	<u>341</u>	<u>341</u>
Total Current Interest-Bearing Liabilities	<u>341</u>	<u>341</u>
Non-Current Interest-Bearing Liabilities		
Unsecured		
Commonwealth Borrowings (Land and Buildings Original Loan)	2,045	2,386
Total Non-Current Borrowings	<u>2,045</u>	<u>2,386</u>
Total Non-Current Interest-Bearing Liabilities	<u>2,045</u>	<u>2,386</u>
Total Interest-Bearing Liabilities	<u><u>2,386</u></u>	<u><u>2,727</u></u>

Classification on the Balance Sheet

Interest-Bearing Liabilities		
Current Interest-Bearing Liabilities	341	341
Non-Current Interest-Bearing Liabilities	2,045	2,386
Total Interest-Bearing Liabilities	<u><u>2,386</u></u>	<u><u>2,727</u></u>

Credit Facilities

There are no formal credit facilities in place for ACTION with the Territory's appointed transactional bank.

If ACTION's bank account goes into overdraft throughout the year, ACTION is not charged interest. However, the overdraft position is required to be rectified as soon as possible. ACTION's bank account did not go into overdraft throughout the 2015-16 reporting period.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 26 EMPLOYEE BENEFITS

	2016 \$'000	2015 \$'000
Current Employee Benefits		
Annual Leave	7,388	7,457
Long Service Leave ^a	14,803	13,252
Accrued Wages and Salaries ^b	424	865
Other Benefits	122	145
Total Current Employee Benefits	22,737	21,719
Non-Current Employee Benefits		
Long Service Leave	1,280	1,210
Total Non-Current Employee Benefits	1,280	1,210
Total Employee Benefits	24,017	22,929
Estimate of when Leave is Payable^c		
Estimated Amount Payable within 12 Months		
Annual Leave	7,388	7,457
Long Service Leave	1,237	1,164
Accrued Salaries	424	865
Other Benefits	122	145
Total Employee Benefits Payable within 12 Months	9,171	9,631
Estimated Amount Payable after 12 Months		
Long Service Leave	14,846	13,298
Total Employee Benefits Payable after 12 Months	14,846	13,298
Total Employee Benefits	24,017	22,929

At 30 June 2016, ACTION employed 819 full-time equivalent (FTE) staff. There were 831 FTE staff at 30 June 2015.

- a) The increase in long service leave reflects the use of a higher rate to estimate long service liabilities to 114.7% in 2015-16 (104.2% in 2014-15). The use of a higher rate resulted in a \$1.47m increase to the long service liability and related expenses. This was partially offset by the net transfer of 11 corporate and support staff to the TAMS Public Transport Branch on 1 July 2015.
- b) The reduction in accrued wages and salaries reflects the decrease in unpaid days owing at 30 June 2016 compared to 30 June 2015.
- c) The estimate of long service leave payable within 12 months is based on an average of long service leave taken in the last 3 years; annual leave is assumed to be payable within 12 months, based on work practices.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 27 OTHER LIABILITIES

	2016 \$'000	2015 \$'000
Current Other Liabilities		
Revenue Received in Advance ^a	3,935	3,349
Total Current Other Liabilities	<u><u>3,935</u></u>	<u><u>3,349</u></u>

- a) Revenue received in advance represents credit balances on MyWay cards for prepaid travel which are yet to be used and recognised as revenue. The increase in this liability represents a shift in the preference of prepaid MyWay cards over paying cash fares.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 28 EQUITY

	2016 \$'000	2015 \$'000
Total Equity at the End of the Reporting Period		
Accumulated Funds	104,044	99,957
Asset Revaluation Surplus	32,974	32,943
Total Equity	137,018	132,900

Movements In Asset Revaluation Reserve during the Reporting Period

Asset Revaluation Surplus

The asset revaluation surplus is used to record the increments and decrements in the value of Property, Plant and Equipment.

Land Revaluation Surplus

Balance at the Beginning of the Reporting Period	9,050	9,050
Balance at the End of the Reporting Period	9,050	9,050

Building Revaluation Surplus

Balance at the Beginning of the Reporting Period	20,061	20,061
Balance at the End of the Reporting Period	20,061	20,061

Heritage and Community Asset Revaluation Surplus

Balance at the Beginning of the Reporting Period	10	-
Increment on Revaluation	-	10
Balance at the End of the Reporting Period	10	10

Plant and Equipment Revaluation Surplus

Balance at the Beginning of the Reporting Period	3,822	3,551
Increment on Revaluation	31	271
Balance at the End of the Reporting Period	3,853	3,822

Total Asset Revaluation Surplus

Balance at the Beginning of the Reporting Period	32,943	32,662
Net Increment on Revaluation	31	281
Balance at the End of the Reporting Period	32,974	32,943

ACTION

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

NOTE 29 FINANCIAL INSTRUMENTS

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

Interest Rate Risk

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

The interest rate for the Commonwealth borrowings is fixed for the entire period of the loan. ACTION does not earn interest on its bank accounts or receivables and therefore has no interest rate risk for assets. As a result, ACTION's interest rate risk is insignificant. There have been no changes in risk exposure or processes for managing risk since last financial reporting period.

Sensitivity Analysis

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

At 30 June 2016 ACTION holds cash and cash equivalents with Westpac Banking Corporation and as such, ACTION considers the credit risk associated with these financial assets to be low.

ACTION's credit risk is limited to the amount of the receivables it holds net of any allowance for impairment. ACTION's receivables are unsecured and cover many entities split between other ACT Government and Non-ACT Government entities. ACTION manages its credit risk for receivables by regularly monitoring its receivables, through active follow up of outstanding receivables and by issuing monthly statements to overdue accounts where required.

No significant concentration of credit risk has been identified by ACTION and there have been no changes in credit risk exposure since the last reporting period.

Liquidity Risk

Liquidity risk is the risk that ACTION will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

ACTION's main financial obligations relate to the purchases of supplies and services, employee and superannuation expenses, and borrowing costs, including interest and principal repayments. Purchases of supplies and services are mostly paid within 30 days of receiving the goods or services.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

Liquidity Risk - Continued

The main source of cash to pay these obligations is from service payments from the ACT Government which are paid on a fortnightly basis, and cash fares. ACTION manages its liquidity risk through forecasting service payments requirements to enable the payment of anticipated obligations. Where necessary, ACTION has the ability to request additional funding of service payments up to its budget limit in order to meet its financial liabilities. In the event of urgent and unforeseen circumstances, Section 18 of the *Financial Management Act 1996* allows the Treasurer to authorise an appropriation from the Treasurer's Advance.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

ACTION holds cash and receivables which are not subject to movements in price. As a result, ACTION is not considered to have any price risk and a sensitivity analysis has not been undertaken. ACTION's exposure to price risk and the management of this risk has not changed since the last reporting period.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 29 FINANCIAL INSTRUMENTS - CONTINUED

Fair Value of Financial Assets and Liabilities

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

	Note No.	Carrying Amount 2016 \$'000	Fair Value Amount 2016 \$'000	Carrying Amount 2015 \$'000	Fair Value Amount 2015 \$'000
Financial Assets					
Cash and Cash Equivalents	16	3,914	3,914	7,118	7,118
Receivables	17	3,757	3,757	1,691	1,691
Total Financial Assets		7,671	7,671	8,809	8,809
Financial Liabilities					
Payables	24	133	133	43	43
Commonwealth Borrowings	25	2,386	3,359	2,727	3,824
Revenue Received in Advance	27	3,935	843	3,349	737
Total Financial Liabilities		6,454	4,335	6,119	4,604

The undiscounted cash flows associated with these financial instruments are reflected further through this note.

ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2016

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out ACTION's maturity analysis for financial assets and liabilities as well as the exposure to interest rates at 30 June 2016. Except for Commonwealth Borrowings which has a fixed interest rate, financial assets and liabilities are non-interest bearing and will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Interest Rate	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
			1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	16		-	-	-	3,914	3,914
Receivables	17		-	-	-	3,757	3,757
Total Financial Assets			-	-	-	7,671	7,671
Financial Liabilities							
Payables	24		-	-	-	133	133
Commonwealth Borrowings	25	12.57%	641	2,134	811	-	3,586
Revenue Received in Advance	27		-	-	-	843	843
Total Financial Liabilities			641	2,134	811	976	4,562
Net Financial (Liabilities)/ Assets			(641)	(2,134)	(811)	6,695	3,109

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out ACTION's maturity analysis for financial assets and liabilities as well as the exposure to interest rates at 30 June 2015. Except for Commonwealth Borrowings which has a fixed interest rate, financial assets and liabilities are non-interest bearing and will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Interest Rate	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
			1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	16		-	-	-	7,118	7,118
Receivables	17		-	-	-	1,691	1,691
Total Financial Assets			-	-	-	8,809	8,809
Financial Liabilities							
Payables	24		-	-	-	43	43
Commonwealth Borrowings	25	12.57%	684	2,306	1,280	-	4,270
Revenue Received in Advance	27		-	-	-	737	737
Total Financial Liabilities			684	2,306	1,280	780	5,050
Net Financial (Liabilities)/ Assets			(684)	(2,306)	(1,280)	8,029	3,759

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 29 FINANCIAL INSTRUMENTS - CONTINUED

	2016 \$'000	2015 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables Measured at Amortised Cost	3,757	1,691
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	6,454	6,119

ACTION does not have any financial assets in the 'Available for Sale' category or the 'Held to Maturity' category and as such these categories are not included above.

Fair Value Hierarchy

ACTION does not have any financial assets or financial liabilities at fair value. As such no fair value hierarchy disclosures have been made.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 30 COMMITMENTS

	2016 \$'000	2015 \$'000
Capital Commitments - Property, Plant and Equipment		
Capital commitments contracted at reporting date that have not been recognised as liabilities are as follows:		
Payable:		
Within one year	5,056	8,055
Later than one year but not later than five years	-	9,091
Total Capital Commitments - Property, Plant and Equipment^a	5,056	17,146

- a) Capital commitments relate to the amount owing for 14 Scania rigid buses and one Scania articulated bus. ACTION expects the delivery of these buses in 2016-17.

Other Commitments

Other commitments contracted at reporting date that have not been recognised as liabilities are as follows:

Payable:		
Within one year	3,522	3,541
Later than one year but not later than five years	9,544	8,742
Total Other Commitments^b	13,066	12,283

- b) Other commitments relate to contracted commitments for the provision of cash collection services, rural bus services as well as commitments for the provision of ICT, human resource and finance services provided by other ACT Government agencies.

Operating Lease Commitments

Non-Cancellable Operating Lease Commitments

Non-cancellable operating commitments are payable as follows:

Within one year	966	1,091
Later than one year but not later than five years	1,168	2,162
Total Operating Lease Commitments^c	2,134	3,253

- c) The decrease in operating lease commitments from 2014-15 is the result of only one new lease being entered into in 2015-16 for a replacement vehicle and a reduction in the unexpired contract period of existing leases.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 31 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

ACTION is subject to various claims at the reporting date with the contingent liabilities being shown below:

	2016	2015
	\$'000	\$'000
Legal Claims	260	170
Total Contingent Liabilities	260	170

These claims relate to accidents which are insured through the ACT Insurance Authority with the contingent liability limited to the \$10,000 insurance excess payable on each claim.

Contingent Assets

ACTION had no contingent assets at 30 June 2016 (nil at 30 June 2015).

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 32 INCOME TAX EQUIVALENTS

	2016 \$'000	2015 \$'000
(a) Components of Income Tax Equivalents Expense/(Income)		
Current Tax Equivalents (Income)	(4,021)	(3,729)
Deferred Tax Equivalents (Income) Relating to the Origination and Reversal of Temporary Differences	(385)	621
Tax Effect of Temporary Differences not Recognised	-	(410)
Tax Effect of Tax Losses not Recognised	4,406	-
Tax Effect of Previously Unrecognised and Unused Tax Losses and Tax Offsets now Recognised	-	(5,151)
Tax Effect of Prior Year Previously Unrecognised Deferred Tax Liability	-	8,669
	<u>-</u>	<u>-</u>

(b) Income Tax Equivalents Expense/(Income)

The prima facie income tax expense/(income) on pre-tax accounting profit from operations reconciles to the income tax expense/(income) in the financial statements as follows:

Loss from Operations	14,784	11,028
Income Tax Equivalents (Income) Calculated at 30%	(4,435)	(3,309)
Non-Deductible Expenses	-	-
	<u>(4,435)</u>	<u>(3,309)</u>
Tax Effect of Tax Losses not Recognised	4,406	-
Tax Effect of Temporary Differences not Recognised	-	(410)
Tax Effect of Reversal of Temporary Differences from Prior Years	29	201
Tax Effect of Temporary Differences in Equity	-	-
Tax Effect of Previously Unrecognised and Unused Tax Losses and Tax Offsets now Recognised	-	(5,151)
Tax Effect of Prior Year Previously Unrecognised Deferred Tax Liability	-	8,669
	<u>-</u>	<u>-</u>

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian Tax law. There has been no change in the corporate tax rate from the previous reporting period.

(c) Recognised Deferred Tax Balances

The following deferred tax balances have been recognised in the accounts:

Deferred Tax Liabilities on Temporary Differences	(1,734)	(2,116)
Deferred Tax Asset Relating to Revenue Losses	1,734	2,116
	<u>-</u>	<u>-</u>

(c) Unrecognised Deferred Tax Balances

The following deferred tax assets have not been brought to account as assets:

Tax Losses - Revenue	29,537	25,134
	<u>29,537</u>	<u>25,134</u>

ACTION is exempt from paying federal income tax. However, ACTION is required to calculate tax equivalents that would have been payable under the 'National Tax Equivalent Regime'.

The net deferred tax effects relating to tax losses and temporary differences have not been recognised as it is not probable that the tax benefits from these assets will be recouped in the future.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 33 CASH FLOW RECONCILIATION

	2016 \$'000	2015 \$'000
(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet		
Cash at Bank	3,808	6,993
Cash on Hand	106	125
Total Cash and Cash Equivalents Recorded in the Balance Sheet	3,914	7,118
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	3,914	7,118
(b) Reconciliation of Operating (Deficit) to Net Cash (Outflows)/Inflows from Operating Activities		
Operating (Deficit)	(14,784)	(11,028)
Add/(Less) Non-Cash Items		
Depreciation of Property, Plant and Equipment	11,112	10,814
Amortisation of Intangibles	137	136
Impairment Loss of Inventory	(114)	-
Impairment Loss on Receivables	18	42
Impairment Loss of Non-Current Assets	68	67
Expensed Component of Finance Leases	-	6
Add/(Less) Items Classified as Investing or Financing		
Payable Relating to Capital Assets	-	(426)
Gain from De-recognition of Finance Lease Liability	-	(275)
Loss on De-recognition of Motor Vehicles Under a Finance Lease	-	265
Write-off/ Loss on Disposal of Non-Current Assets	119	185
Write-off/ Loss on Disposal of Inventory	108	-
Cash Before Changes in Operating Assets and Liabilities	(3,336)	(214)
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(1,719)	19
(Increase) in Inventories	(343)	(41)
Decrease in Other Assets	261	207
(Decrease)/Increase in Payables	(210)	386
Increase in Employee Benefits	1,090	1,167
Increase in Other Liabilities	587	518
Net Changes in Operating Assets and Liabilities	(334)	2,256
Net Cash (Outflows)/Inflows from Operating Activities	(3,670)	2,042
(c) Non-Cash Financing and Investing Activities		
Acquisition of Motor Vehicles by means of Finance Lease	-	157

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

NOTE 34 EVENTS OCCURING AFTER BALANCE DATE

There were no events that occurred after the balance date which would affect the financial statements for the year ending 30 June 2016.

A change to the ACT Government will come into effect on the 1 July 2016 through Notifiable Instrument NI2016-178. Administrative Arrangements 2016 (No 3); ACTION will form part of Transport Canberra and remain as a separate reporting entity within the Transport Canberra and City Services Directorate.

On 1 July 2016 the Education and Training Directorate (ETD) transferred its Special Needs Transport (SNT) function to ACTION, which had previously provided drivers and vehicles on a fee for service basis to ETD. In addition to the provision of drivers and vehicles from its own resources, ACTION will be responsible for the management of the Keirs Coaches and ACT taxi contracts associated with SNT services. ACTION will receive \$6 million in government funding to manage this expanded function.

NOTE 35 GUARANTEES

There were no guarantees or undertakings by ACTION that are not disclosed within the financial statement of the accompanying notes.

ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2016

NOTE 36 BUDGETARY REPORTING – EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met:

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

Balance Sheet Line Items	Original Budget		Variance		Variance Explanation
	Actual 2015-16 \$'000	2015-16 \$'000	2015-16 ¹ \$'000	%	
Cash and Cash Equivalents	3,913	1,861	2,052	110.26	The higher than budget cash and cash equivalent balance is due to a greater than budget opening balance (\$2.5 million) and higher than budgeted revenue received in advance for prepaid travel on MyWay cards (\$1.1 million).
Current Receivables	5,036	3,481	1,555	44.67	The higher than budget current receivables primarily relates to a large receivable for recovery of costs related to various administrative functions transferred to the Territory and Municipal Services Directorate in 2015-16 which was not anticipated in the budget.
Other Liabilities	3,935	2,880	1,055	36.63	The higher than budget result relates to higher than estimated prepaid balances on MyWay cards at the end of the reporting period.

Statement of Changes in Equity These line items are covered in other financial statements.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

C3 CAPITAL WORKS

During 2015-16 TAMS was involved in significant capital works projects as summarised in Table 24. TAMS has a centralised capital works delivery unit that coordinates with line areas and land managers to deliver outcomes. For details on capital works projects please refer to the individual output areas of this report.

For more information

T (02) 6205 8479, Governance and Business Solutions

TABLE 24 – CAPITAL WORKS

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2015-16 Expenditure (\$'000)	Total Expenditure to Date
New Works - Major New Works							
Roads ACT							
Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1	Jun-17	Apr-18	31,185	31,185	0	3,328	3,328
Better Roads for Gungahlin – Horse Park Drive duplication - GPO	Jun-17	Dec-16	1,000	1,000	0	787	787
Better Roads for Tuggeranong – Ashley Drive duplication – Stage 2	Jun-18	Jul-18	24,602	24,602	0	2,137	2,137
Bridge Strengthening on Commercial Routes	Jun-16	Oct-16	700	1,636	0	295	295
Constitution Ave to Vernon Circle	Jun-17	Sep-16	2,800	2,800	0	943	943
Pialligo and Airport Road Network - GPO	Jun-17	Jun-17	900	900	0	401	401
Majura Post Completion Review	Jun-17	Jun-17	200	200	0	0	0
Road to Recovery - Pialligo Ave Scherger Dr Intersection	Jun-17	Jun-17	1,130	1,130	0	162	162
Road To Recovery - Road Rehabilitation	Jun-17	Jun-17	16,620	16,620	0	8,844	8,844
Parks and Conservation Services							
Enhancing the Protection of Endangered Species and Habitat	Jun-18	Jun-18	6,090	6,090	0	490	490
ACT NOWaste							
Essential Waste Management Infrastructure	Jun-17	Jun-17	20,911	20,911	0	5,110	5,110
Improved Waste Resource Recovery - GPO	Jun-17	Jun-17	2,805	2,805	0	1,172	1,172
Subtotal			108,943	109,879	0	23,670	23,670
Urban Improvement Program							

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2015-16 Expenditure (\$'000)	Total Expenditure to Date
Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades	Jun-16	Sep-16	1,500	1,500	0	413	413
Urban Renewal Program – Erindale Group Centre – Gartside Street (south) development – Stage 1	Jun-17	Jun-17	860	860	0	81	81
Urban Renewal Program – Kambah Group Centre – Public domain improvements – Stage 1	Jun-16	Jul-16	50	50	0	37	37
Urban Renewal Program – Kingston Group Centre – Pedestrian and cycling accessibility improvements – Stage 1	Jun-16	Jul-16	150	150	0	140	140
Urban Renewal Program – Molonglo to the city highway	Jun-16	Aug-16	200	200	0	125	125
Urban Renewal Program – Oaks Estate river corridor heritage walk improvements – Stage 1	Jun-17	Dec-16	230	230	0	20	20
Urban Renewal Program – Phillip trade service area parking management	Jun-16	Jun-17	419	419	0	69	69
Urban Renewal Program – Playground repairs	Jun-16	Aug-16	200	200	0	130	130
Urban Renewal Program – Tuggeranong – Anketell Street (north) upgrade – Stage 1	Jun-16	Jun-17	430	430	0	28	28
Urban Renewal Program – Tuggeranong Valley and Kaleen age friendly facilities	Jun-17	Jun-17	500	500	0	70	70
Urban Renewal Program – Weston Group Centre – Brierly Street and Trenerry Square upgrades	Jun-17	Jun-17	860	860	0	52	52
Urban Renewal Program – Woden – Canberra Hospital connections	Jun-16	Jul-16	532	532	0	439	439
Urban Renewal Program – Woden Town Centre cycle and pedestrian network improvements - GPO	Jun-16	Jul-16	250	250	0	175	175
Subtotal			6,181	6,181	0	1,779	1,779
Total Major New Works (excluding the capital upgrade program)			115,124	116,060	-	25,449	25,449

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2015-16 Expenditure (\$'000)	Total Expenditure to Date
Capital Upgrade Program 2015-16							
Roads ACT							
Bridge strengthening	Jun-16	Sep-16	200	200	0	135	135
Public transport infrastructure upgrades (including Disability Standard bus stop upgrades)	Jun-16	Jul-16	2,600	2,600	0	2,583	2,583
Road safety measures	Jun-16	Jul-16	700	700	0	464	464
Improvement of pollution control measures at gross pollutant traps	Jun-16	Jul-16	250	250	0	237	237
Stormwater improvement program	Jun-16	Jul-16	1,000	1,000	0	572	572
Federal Highway truck inspection lay-bys	Jun-16	Jun-16	800	800	0	800	800
Truck lay-bys — Federal initiative	Jun-16	Oct-16	3,200	3,200	0	685	685
Footpath and cycling improvements	Jun-16	Jul-16	2,000	2,000	0	1,599	1,599
Safety improvements lighting	Jun-16	Jul-16	1,200	1,200	0	1,187	1,187
Yarralumla Nursery							
Refurbishment of Yarralumla Nursery	Jun-16	Jul-16	850	850	0	819	819
ACT NOWaste							
Safety infrastructure upgrades at Mitchell Resource Management Centre	Jun-16	Aug-16	300	300	0	136	136
Parks and Conservation Services							
Fitness equipment upgrade	Jun-16	Jul-16	120	120	0	99	99
Irrigation upgrade to Black Mountain Peninsula	Jun-16	Jul-16	457	547	0	525	525
Isaacs Ridge mountain bike trail network upgrade	Jun-16	Jul-16	185	185	0	155	155
Point Hut Flying Fox replacement	Jun-16	Jul-16	300	300	0	251	251
Public toilet upgrades	Jun-16	Aug-16	300	300	0	276	276
Upgrade of open space street furniture	Jun-16	Jul-16	290	290	0	254	254
Upgrade water facilities at the veterinary laboratory, Athllon depot	Jun-16	Jul-16	52	122	0	87	87
			14,804	14,964	0	10,862	10,862
Total New Works			129,928	131,024	0	36,311	36,311

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2015-16 Expenditure (\$'000)	Total Expenditure to Date
Works in Progress 2015-16							
Roads ACT							
Bridge Strengthening on Commercial Routes	Jun-15	Aug-16	1,600	1,600	527	1,041	1,568
Civic to Gungahlin Corridor Improvements	Jun-16	Jun-17	20,000	20,000	2,714	6,367	9,081
Constitution Avenue	Sep-16	Sep-16	42,000	42,000	23,285	18,715	42,000
Transport for Canberra - Majura Parkway	Jun-16	Aug-16	278,500	283,500	242,732	49,833	292,565
Majura Off Road Shared Path	Jun-16	Aug-16	0	10,000	8,128	1,773	9,901
R2R Federal Forward Year Funding	Jun-18	Jun-19	23,600	23,600	8,132	1,786	9,918
Road ACT Travel Time Information	Jun-15	Nov-16	700	700	14	259	273
William Slim/Barton Highway Roundabout Signalisation	Jun-17	Oct-16	10,000	10,000	247	5,731	5,978
Parks and Conservation Services							
Environmental Offsets – Lawson South	Jun-18	Jun-18	872	872	120	204	324
Environmental Offsets – Gungahlin (EPIC)	Jun-17	Jun-17	462	462	45	101	146
Molonglo Valley – Implementation of Commitments in the NES Plan – Stage 2	Jun-18	Jun-18	3,520	3,520	700	806	1,506
Red Hill Nature Reserve Remediation (Final Design)	Jun-14	Jun-17	135	135	7	9	16
Shopping Centre Upgrade Program – Red Hill and Lyons	Jun-13	Aug-16	8,000	8,000	7,448	308	7,756
Strategic Bushfire Management Plan	Jun-16	Jun-17	2,744	2,744	1,790	125	1,915
ACT NOWaste							
Mugga 2 Quarry – Remediation	Jun-16	Sep-16	2,939	3,289	350	1,662	2,012
Mugga Lane – Rehabilitation of Old Landfill Cells	Jun-15	Jun-17	3,100	3,100	1,880	135	2,015
Mugga Lane – Replace Damaged Septic System	Jun-16	Nov-16	764	764	63	95	158
West Belconnen RMC Rehabilitation of Landfill Cells	Jun-15	Jun-18	2,550	1,705	1,417	115	1,532
ACTION							
ACTION – Replace Underground Storage Tanks	Jun-16	Oct-16	6,536	3,036	522	2,247	2,769
Urban Improvement Program							
Local Shopping Centre Upgrades Program	Jun-16	Nov-16	2,000	2,000	133	1,617	1,750
Molonglo Riverside Park – Stage 1	Jun-14	Jun-17	4,500	4,500	3,403	524	3,927
Total Works in Progress			414,522	425,527	303,656	93,454	397,110

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2015-16 Expenditure (\$'000)	Total Expenditure to Date
Physically Complete Projects 2015-16							
Roads ACT							
Armour cable upgrade	Jun-16	Jun-16	600	600	0	600	600
Public car park improvements	Jun-16	Jun-16	200	200	0	200	200
Residential street improvements	Jun-16	Jun-16	400	400	0	400	400
Road barrier improvement upgrades	Jun-16	Jun-16	300	300	0	300	300
Bike rack upgrades	Jun-16	Jun-16	50	50	0	50	50
Urban Renewal Program – Belconnen Town Centre improved cycling connections	Jun-16	Jun-16	100	100	0	100	100
Design Ashely Avenue Stage 2	Jun-15	Aug-15	1,575	1,575	1,575	0	1,575
Kingston – Wentworth Avenue Pavement Rehabilitation Stage 2 (Design)	Jun-14	Jun-15	200	200	218	-18	200
ACT NOWaste							
Improvements to control contamination and illegal dumping at Recycling Drop Off Centres	Jun-16	May-16	200	200	0	202	202
Upgrade oil recycling facilities at Mugga Lane Resource Management Centre	Jun-16	Jun-16	130	130	0	119	119
Mugga Lane – Replace Asbestos Disposal Site	Jun-16	Jun-16	1,223	873	330	455	785
Parks and Conservation Services							
Drinking fountains	Jun-16	Jun-16	100	100	0	97	97
Town and District Park Upgrades	Jun-13	Aug-15	6,000	6,150	5,674	445	6,119
Total Projects Physically Complete			11,078	10,878	7,797	2,950	10,747

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2015-16 Expenditure (\$'000)	Total Expenditure to Date
Physically and Financially Complete Projects 2015-16							
Roads ACT							
Feasibility Study - Chifley - Hindmarsh Drive Launceston Street	Jun-16	Jun-16	250	250	0	251	251
Feasibility Study - Dunlop - Lance Hill Avenue Ginninderra Drive	Jun-16	Jan-16	100	100	0	100	100
Feasibility Study - Spence - Kuringa Drive and Owen Dixon Drive	Jun-16	Jun-16	100	100	0	101	101
Urban Renewal Program - Barton - Bowen Cycle Path	Jun-16	Oct-15	600	600	0	600	600
Urban Renewal Program - Forward Design - Belconnen Way Springvale Drive	Jun-16	Jun-16	170	170	0	170	170
Urban Renewal Program - Feasibility Study - Tuggeranong Town Centre Cycling Connections	Jun-16	Jun-16	100	100	0	100	100
Urban Renewal Program - Feasibility Study - West Belconnen to City Cycling Connections	Jun-16	Jun-16	100	100	0	100	100
Transport for Canberra - Canberra Ave Bus Priority Measures	Jun-15	Jul-14	8,200	8,200	8,201	0	8,201
City Paths Lighting	Jun-15	Jul-15	400	400	266	134	400
Barry Drive - Bridge Strengthening	Jun-15	Sep-14	762	762	565	197	762
Design Weston Creek Group Centre Parking	Jun-14	Jun-14	48	48	50	0	50
Weston Creek Group Centre Parking	Jun-15	Jul-15	500	500	339	161	500
Transport for Canberra - Erindale Bus Station Upgrade	Jun-15	Dec-15	900	900	674	226	900
Parks and Conservation Services							
Jerrabomberra Wetlands Infrastructure Improvements	Jun-13	Sep-15	2,341	2,341	2,296	49	2,345
Centenary Trail	Jun-13	Dec-14	3,300	3,220	3,202	0	3,202
Red Hill Nature Reserve Remediation	Jun-13	May-16	180	180	64	116	180
Official Opening 2013 – National Arboretum Canberra	Jun-13	Oct-15	22,620	27,653	27,573	80	27,653
ACT NOWaste							
Mugga Lane - Land Fill Extension Stage 5	Jun-15	Nov-15	19,850	19,850	17,807	2,043	19,850

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2015-16 Expenditure (\$'000)	Total Expenditure to Date
Urban Improvement Program							
Playground Safety Program	Jun-15	Dec-15	500	500	422	79	501
Transport for Canberra - Bus Stops Upgrades to Disability Standards – Stage 2	Jun-16	Sep-15	4,500	4,500	4,503	-2	4,501
Transport for Canberra - Walking and Cycling Stage 4	Jun-16	Sep-15	2,500	2,500	2,311	189	2,500
Transport for Canberra - Erindale Bus Station Design	Jun-14	Jul-14	350	350	350	0	350
Capital Upgrades							
OHS and Marketing Improvements for Macarthur House	Jun-16	May-16	75	75	0	75	75
Library Interior Upgrades	Jun-16	May-16	280	280	0	279	279
Traffic Management at Schools	Jun-16	May-16	200	200	0	200	200
Traffic Signal Control Box Upgrades	Jun-16	Oct-15	200	200	0	200	200
Urban Renewal Program - Bunda Street Improvements	Jun-16	Oct-15	200	200	0	200	200
Alderson Place Hume Roller Door Upgrade	Jun-16	Feb-16	80	80	0	80	80
Resource Management Centres Road Infrastructure Upgrades	Jun-16	Jun-16	770	770	0	770	770
Birrigai Hall Floor Upgrade	Jun-16	Feb-16	87	87	0	87	87
Government Horse Paddocks and Agistment Lands Upgrades	Jun-16	Jun-16	279	279	0	281	281
Urban Renewal Program - Lower Cotter Catchment Infrastructure Upgrade	Jun-16	Apr-16	50	50	0	50	50
Urban Renewal Program - Shopping Centre Upgrades Minor Works	Jun-16	May-16	300	300	0	300	300
ACTION – Bike rack upgrades	Jun-16	Jun-16	110	110	0	101	101
ACTION - Major Component Overhauls	Jun-16	Jan-16	909	909	0	909	909
ACTION - Depot and Workshop site and tool upgrades	Jun-16	May-16	750	750	0	754	754
Prior Year Capital Upgrades							
Footpath and Cycling Improvements	Jun-15	May-15	2,333	2,333	2,330	2	2,332
Public Transport Infrastructure	Jun-15	Jun-15	1,500	1,500	1,399	101	1,500

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2015-16 Expenditure (\$'000)	Total Expenditure to Date
Residential Street Improvements	Jun-15	Jun-15	625	625	564	66	630
Infill Lighting in Neighbourhoods	Jun-15	Jun-15	250	250	173	77	250
Road Safety Measures	Jun-15	Jul-15	735	735	572	163	735
Armour Cable Replacement	Jun-15	Oct-15	1,000	1,000	627	373	1,000
Road Batter Slope Improvements	Jun-15	Jul-15	300	300	295	5	300
MLRMC - Fire Fighting Utilities Upgrade	Jun-15	Jun-15	1,164	1,164	1,164	0	1,164
Recycling Drop Off Centres Upgrades	Jun-15	Jun-15	320	320	321	0	321
Maintenance Depot Improvements	Jun-15	Jun-15	340	340	302	36	338
Skate Park Upgrades	Jun-15	Jun-15	300	257	249	8	257
Majura Pines Recreational Activities	Jun-15	Jun-15	270	270	270	0	270
Open Space Furniture	Jun-15	Jun-15	300	300	291	9	300
DAS Macerator	Jun-15	Sep-15	300	390	307	85	392
Libraries CCTV Cameras	Jun-15	Aug-15	230	140	139	0	139
Arboretum Minor Works	Jun-15	Aug-15	784	784	648	137	785
Total Projects Physically and Financially Complete			83,412	88,322	78,274	10,042	88,316

Projects transferred to other Directorates at 22 January 2016

National Arboretum Canberra – Event Terrace and Precinct Facilities	Jun-16		1,484	299	127	172	299
National Arboretum Canberra – Water Security	Jun-17		3,580	3,382	3,205	176	3,381
Circuit Trail at National Arboretum	Jun-16		100	100	0	76	76
Safety and amenity improvements at Arboretum – Pod playground	Jun-16		216	216	0	20	20
Upgrade of Arboretum demountable buildings to meet Building Code standards	Jun-16		158	158	0	21	21
Total Projects Transferred			5,538	4,155	3,332	465	3,797
TOTAL COMBINED CAPITAL WORKS PROGRAM			644,478	659,906	393,058	143,222	536,280

RECONCILIATION OF FUNDING AND EXPENDITURE	\$,000
Reconciliation of Total Current Year Financing	
Original Capital Works Financing	146,158
Add: s16B Rollovers from 2014-15	20,801
Add: Treasurers Advance	5,200
Add: S17 Variation of Appropriation	5,275
Less: Transfers to other Directorates	(940)
Less: Capital Injection not drawn in 2015-16	(48,170)
Capital Injection from Government per Cash Flow Statement	128,324
Reconciliation of Total Current Year Actual Expenditure - Against Financing	
Total Current Year Capital Works Expenditure	143,222
Add: Expenditure for other Capital Injection Projects	22,791
Add: Accruals 2014-15	7,983
Less: Accruals 2015-16	(22,291)
Less: GPO Funded Projects	(23,381)
Capital Injection from Government per Cash Flow Statement	128,324
Reconciliation of Total Current Year Actual Expenditure	
Total Current Year Capital Works Expenditure	143,222
Add: Own-Sourced Capital Works Expenditure	1,258
Add: WIP Expenditure for other Capital Injection Projects	20,126
Add: Accruals 2014-15	7,983
Less: Accruals 2015-16	(22,291)
Less: GPO Funded Projects	(23,381)
Total payments from Investing Activities as per Cash Flow Statement	126,917

C4 ASSET MANAGEMENT

TAMS delivered a wide range of services to the ACT community on behalf of the ACT Government. Much of this relied on the planning, development and management of a significant and diverse range of assets that were valued in 2015-16 at \$9.4 billion.

The largest asset category is infrastructure assets including roads, bridges, community paths, traffic signals, streetlights, stormwater, waste and recycling assets. Other assets in the TAMS portfolio included public libraries, public transport and property assets.

During 2015-16 TAMS reassessed the value of selected infrastructure, land, heritage and community, plant

and equipment and biological assets in accordance with the ACT Accounting Policy, resulting in an increase in the asset value of \$152.8 million.

The TAMS asset value of \$9.4 billion also includes a \$263.5 million increase in value arising from the following acquisitions and transfers:

- > new assets, the majority of which relate to completed capital works infrastructure and plant and equipment totalling \$137.5 million;
- > infrastructure assets transferred from the LDA valued at \$49.2 million;
- > infrastructure and plant and equipment transferred from land developers valued at \$6.8 million; and
- > infrastructure assets from CMTEDD which were valued at \$70.0 million.

TABLE 25: TAMS MANAGED ASSETS

Asset type	
Roads*	3,077 kilometres (6,832 lane kilometres)
Bridges and culverts*	1,227
Footpaths*	2,430 kilometres
Streetlights (lamps)*	77,423
Stormwater*	3,722 pipe kilometres
Cycle lanes (on road)*	560 kilometres
Cycle paths (off road)*	440 kilometres
Urban open space	6,149 hectares
Forests	10,982 hectares
Reserves ²	146,623 hectares
Lakes and ponds	361 hectares
Urban trees	759,122
Public libraries	570,537 collection items
Playgrounds	505
Barbeques	338
Toilets	131

*IAMS database as at 30 June 2016

TABLE 26: TAMS ASSET VALUATION

Asset	Value \$'m	Revaluation increment \$'m
Infrastructure	6,939.0	139.9
Heritage and community	2,247.1	8.9
Buildings	50.6	n/a
Land	79.8	2.0
Plant and equipment	35.8	n/a
Leasehold improvements	0.3	n/a
Intangible assets	4.7	n/a
Biological assets	28.5	2.0
Total	9,385.8	152.8

STRATEGIC ASSET MANAGEMENT FRAMEWORK

The Strategic Asset Management Framework (SAMF) enabled TAMS to create and maintain an asset portfolio that efficiently met the requirements of the Directorate and the community.

The SAMF allowed TAMS to sustainably manage assets through 'whole of life' and 'whole of organisation' approaches. Effective identification and management of risks associated with the use of these assets was also enhanced.

The SAMF also enabled the development of policies, strategies and plans to be informed and, informed the community of government aspirations, service level requirements and investment decisions.

ASSET MAINTENANCE AND UPGRADE

Excluding capital works, expenditure on capital upgrades undertaken in 2015-16 totalled \$17.3 million, consisting of:

> ACT NOWaste	\$1.3 million
> ACTION engine overhauls and other upgrades	\$1.8 million
> National Arboretum Canberra	\$0.1 million
> National highway upgrades	\$1.5 million
> Neighbourhood improvements	\$1.8 million
> Open space improvements	\$2.7 million
> Property improvements	\$0.1 million
> Public libraries	\$0.3 million
> Road safety measures and rehabilitation	\$4.5 million

> Sustainable transport initiatives	\$1.6 million
> Water resources/stormwater improvements	\$0.8 million
> Yarralumla Nursery	\$0.8 million

Public Transport

Delivery of new Euro VI Scania buses continued during 2015-16 under an accelerated delivery program with 29 rigid accessible buses replacing older buses in the ACTION fleet. Savings made during the project enabled the number of buses to increase by one articulated bus and five rigid buses. The total number to be delivered under this program increased to 96, comprising 14 articulated and 82 rigid buses.

Upgrades at Belconnen and Tuggeranong bus depots were completed in 2015-16 to the value of \$750,000 and included the upgrade of the HVAC systems, fuel bay office refurbishment, kitchenette refurbishments, and installation of a driver information system at Tuggeranong depot. Works at Belconnen depot included the construction of a new workshop stores office, further refurbishment of meeting rooms, locker rooms and offices within the administration building, works seeing the continuation of asbestos removal and tool box upgrades for workshop staff were also undertaken. The continued overhaul of major bus components as part of the capital upgrade program was also undertaken.

Capital Linen Service

Capital Linen Service addressed a number of key focus areas with regards to asset management and asset replacement programs in 2015-16. The initial results of the preventative maintenance program indicate that 98.8 percent of all scheduled jobs were completed. This has assisted in the reduction of overall maintenance expenditure by around seven percent on last financial year whilst reducing equipment downtime.

Land Management

Maintenance of the urban assets includes all mowing, cleaning, litter picking, painting, pruning, mulching, safety inspections and repairs. This ensures assets are maintained in a safe, functional and attractive condition.

In 2015-16 an additional 62 hectares of urban open space was mowed by TAMS in new areas throughout the ACT. During this period the Directorate commenced management and maintenance of an additional six basketball courts, one skate park, 57 fitness equipment items, 27 drinking fountains, 162 seats, 21 shelters and nine playgrounds.

Roads and Sustainable Transport

The Australian Road Research Board (ARRB) has been engaged by the ACT Government since 2007 to provide advice on optimising road maintenance programs. Optimisation is based upon analysing road pavement condition data, reviewing past programs (i.e. budgets versus amount resurfaced) and forecasting a future 10-year maintenance program.

The optimisation work program assists in selecting road locations and resurfacing types to optimise the improvement of the overall condition of the road network. The ARRB report indicates that the overall condition of the road network is slowly deteriorating.

The Australian Government provided additional Roads to Recovery funding which has been used to increase the annual road resurfacing program. One million square metres of resurfacing were carried out in 2015-16 which is the largest resurfacing program delivered to date.

OFFICE ACCOMMODATION MANAGEMENT

At 30 June 2016, TAMS employed a total of 1,936 employees. Of these, 369 were office-based employees occupying 5,581 usable square metres at Macarthur House. The average area occupied by each office-based employee was 15.12 square metres.

A further 1,567 staff were employed in non-office environments and included personnel in libraries, bus interchanges, road maintenance, parks and city services, linen services and work depots.

For more information:

T (02) 6205 8479, Governance and Business Solutions

C5 GOVERNMENT CONTRACTING

PROCUREMENT PRINCIPLES AND PROCESSES

TAMS used contractors and panels to deliver a range of services to the community.

TAMS engaged the services of Shared Services Procurement and/or the ACT Government Solicitors Office for all procurements above \$200,000 and works valued over \$25,000 in accordance with the ACT Government's procurement framework.

TAMS complied with the quotation and tender thresholds laid out in the *Government Procurement Regulation 2007*, and all TAMS contracts above \$1,000,000 were submitted to the Government Procurement Board for review.

All contracts over \$200,000 using a select tender and/or contracts above \$25,000 using a single select tender approach had their contract information recorded on the ACT Government's contracts register <http://www.procurement.act.gov.au/contracts>.

All TAMS construction contracts were engaged under prequalified panels.

A number of procurement processes were designed to require or encourage, either directly or by subcontract, the delivery of services by social benefit organisations. These services included cleaning of sportsgrounds and pavilions; cleaning of underpasses, bus stops and government assets; horticultural maintenance including potting, plant maintenance and the mulching of planted urban open space.

TAM had a Contract and Procurement Management Framework which aligned with the principles of the *Government Procurement Regulation 2007*, and policy circulars. This framework and a Contracts Management Database provided the necessary tools and templates to further assist employees with responsibilities for raising or managing goods and services contracts.

External Sources of Labour and Services

Appendix 1 of this report lists all contractor and consultancy services with a value of \$25,000 or more, executed in 2015-16 by TAMS.

For more information:

T (02) 6205 8479, Governance and Business Solutions





APPENDICES

- > APPENDIX 1: CONTRACTS REGISTER TABLE
 - > APPENDIX 2: ANNEXED REPORTS
- > APPENDIX 3: ABBREVIATIONS AND ACRONYMS
- > APPENDIX 4: LEGISLATION ADMINISTERED BY TAMS
 - > APPENDIX 5: COMPLIANCE INDEX

APPENDIX 1: CONTRACTS REGISTER TABLE

TABLE 28: TAMS ACT GOVERNMENT CONTRACTING OVER \$25,000

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.24785.210	Provision of Manufacturing and Supply of Road Signs	No	-	Public	Goods	No	DeNeefe Pty Ltd trading as DeNeefe Signs	350,000.00	01/07/2015	31/03/2018	Yes
2015.25797.110.11	Panel of Minor Civil Works Contractors for Roads ACT	Yes	-	Public	Works	No	Chincivil Pty Ltd	-	02/07/2015	30/06/2017	Yes
2015.25797.110.22	Panel of Minor Civil Works Contractors for Roads ACT	Yes	-	Public	Works	No	Simeonov Civil Engineering Pty Ltd	-	02/07/2015	30/06/2017	Yes
2015.25606.650	Box Hill Avenue Conder - Bus Layover Facilities	No	-	Public	Works	No	Simeonov Civil Engineering (A.C.T.) Pty Ltd	143,982.00	07/07/2015	14/07/2016	Yes
2015.25606.600	DDA New Future Shelter Locations	No	-	Public	Works	No	Hawkins Civil Pty Ltd	120,127.67	07/07/2015	14/08/2016	Yes
2015.23132.213	Panel of Suppliers for Urban Tree Removal Services	Yes	2,000,000.00	Public	Services (non-consultancy)	No	Plateau Tree Services Pty Ltd	-	08/07/2015	30/04/2020	No
2015.24940.330	Erindale Bus Station Construction	No	-	Public	Works	No	Simeonov Civil Engineering Pty Ltd	734,188.00	13/07/2015	25/01/2017	Yes
2015 / 969	Environmental Monitoring West Belconnen	No	-	Quotations	Services (non-consultancy)	No	SMEC Australia Pty Ltd	150,000.00	13/07/2015	13/07/2018	No
2015.25189.110	Bowen Park Pedestrian Improvements	No	-	Public	Works	No	C.M Dale & T Dale & R.I Hitchcock & A.M McKenna t/a Dale & Hitchcock Civil Engineering & Landscaping	672,368.40	15/07/2015	19/10/2016	Yes
2015.25797.110.20	Panel of Minor Civil Works Contractors for Roads ACT	Yes	-	Public	Works	No	Littlewoods Civil Contracting Pty Ltd	-	23/07/2015	30/06/2017	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.25507.210	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	P. & H. Wratten & Associates Pty Ltd	-	23/07/2015	30/06/2018	No
2015.25507.214	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	Dan & Dan Forestry Services Pty Ltd	-	23/07/2015	30/06/2020	No
2015.25807.210	Panel arrangement for supply and delivery of plant containers to Yarralumla Nursery	Yes	800,000.00	Public	Goods	No	Garden City Planters Pty Ltd.	-	23/07/2015	22/07/2020	No
2015.25797.110.21	Panel of Minor Civil Works Contractors for Roads ACT	No	-	Public	Works	No	Mastro 5 Design Pty Ltd	-	24/07/2015	30/06/2017	Yes
ACTGOVRFQ - 393	Graphic Design Specialist	No	-	Quotations	Services (non-consultancy)	Yes	TransitGraphics Pty Ltd	34,182.50	27/07/2015	31/10/2015	Yes
2015.26250.220	Road Pavement Assessments 2015/16 Resurfacing Program	No	-	Public	Consultancy	No	Calibre Consulting (ACT) Pty Ltd	124,542.15	27/07/2015	04/12/2015	Yes
00146C/00147C	Provision of CCTV Systems at the Mugga Lane, Mitchell and West Belconnen Resource Management Centres	No	-	Single Select	Goods	Yes	F S Solutions (ACT) Pty Ltd	224,968.80	29/07/2015	29/08/2015	Yes
2015.766445	Strategic Level Advisory Consultancy Services	No	-	Single Select	Consultancy	Yes	Aman Services Pty Ltd	350,000.00	30/07/2015	01/02/2017	Yes
2015.25507.210	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	Alpine Forest Establishment Pty Ltd	-	31/07/2015	30/06/2018	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.25507.215	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	Flemings Nurseries Pty Ltd	-	31/07/2015	30/06/2018	No
2015.25507.216	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	J.E Ollerenshaw & P.J Ollerenshaw trading as Bywong Nursery	-	31/07/2015	30/06/2018	Yes
2015.25507.221	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	Provincial Native Plants Pty Ltd	-	31/07/2015	30/06/2018	Yes
2015.25507.223	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	Yamina Rare Plants Pty Ltd	-	31/07/2015	30/06/2018	No
2015.26370.110	On Road Cycling Review 2015/16 Resurfacing Program	No	-	Public	Consultancy	No	Cardo (NSW/ACT) Pty Ltd	64,316.00	03/08/2015	01/03/2015	No
2015.25507.211	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	Andreasens Green (NSW) Pty Ltd	-	05/08/2015	30/06/2018	No
2015.25507.212	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	Cameron's Nursery Pty Ltd	-	05/08/2015	30/06/2018	No
2015.25507.217	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	Metropolitan Tree Growers Pty Ltd.	-	05/08/2015	30/06/2018	No
2015.25507.218	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No	Moorabool Trading Pty Ltd. trading as Devon Tubestock Nursery	-	05/08/2015	30/06/2018	No

Contract Number	Brief Description of Contract	Panel Contract		Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
000149C	Upgraded the Territory's Weighbridges Software and Associated Hardware	No	-	Single Select	Goods	Yes		Newcastle Weigh	171,762.00	06/08/2015	30/11/2015	No
2015.26382.110	2015/17 Road Pavement Condition Testing - Skid Resistance	No	-	Single Select	Consultancy	Yes		Roads Corporation t/a Vicroads	324,759.60	07/08/2015	31/12/2017	No
2015.25507.219	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No		Oasis Horticulture Pty Ltd	-	14/08/2015	30/06/2018	No
CLS008	Supply and Delivery of Anti-Bacterial Barrier Gowns for a Period of 12 Months	No	-	Single Select	Goods	Yes		Performance Fabrics Pty Ltd	96,300.00	18/08/2015	18/08/2016	No
2015.25507.224	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No		Lowes TC Pty Ltd	-	19/08/2015	30/06/2018	No
2015.25507.213	Panel for the Supply of Supplementary Plant Material to Yarralumla Nursery	Yes	4,000,000.00	Public	Goods	No		Carawah Nursery Pty Ltd	-	24/08/2015	30/06/2018	No
2015.26153.401	Gungahlin Drive Augmentation Stage 1 Works	No	-	Public	Works	No		Cord Civil Pty Ltd	3,171,663.56	27/08/2015	17/12/2016	No
2015.26794.110	Minor Concrete Works Package 1	No	-	Select	Works	No		J.B Dyer & G Henness t/a Henness Concreting Contractors	194,655.60	28/08/2015	04/09/2016	Yes
ACTION Business improvement - B1 - 1	ACTION Business improvement	No	-	Quotations	Consultancy	No		Warren, Alan Kenneth	85,789.00	31/08/2015	30/11/2015	No

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
ACTION Business Improvement - B1	ACTION Business Improvement	No	-	Quotations	Consultancy	No	MR Cagney Pty Ltd T/A Lean Challenge Consulting and Change Management	113,786.00	01/09/2015	01/12/2015	No
2015.25381.229	Provision of MyWsay Smartcard Reload Services	Yes	-	Single Select	Services (non-consultancy)	No	PNKATS Group Pty Ltd	-	02/09/2015	30/06/2016	Yes
2015.26383.110	2015-2017 Road Pavement Condition Laser Deflection & Crack Survey	No	-	Public	Consultancy	No	ARRB Group Ltd	402,597.25	03/09/2015	01/12/2018	Yes
ACTION Business Improvement - B1 - 2	ACTION Business Improvement	No	-	Quotations	Consultancy	No	KPMG	61,700.00	14/09/2015	14/12/2015	No
2015.26636.310	National Arboretum Canberra - Event Terrace Lawns	No	-	Public	Works	No	Dig it Landscapes Pty Ltd.	219,750.53	15/09/2015	11/12/2016	Yes
2015.26794.112	Minor Concrete Works Package 3	No	-	Select	Works	No	C.B Excavations Pty Ltd	128,960.76	16/09/2015	16/11/2016	Yes
2015.26794.111	Minor Concrete Works Package 2	No	-	Select	Works	No	JSK Excavations Pty Ltd	151,893.62	16/09/2015	16/11/2016	Yes
2015.26856.302	2015/16 Community Paths Capital Upgrade Program Package 1 - Consultancy Services	No	-	Select	Consultancy	No	Cardno (NSW/ACT) Pty Ltd	69,828.00	17/09/2015	30/09/2016	No
000146C	Feasibility Study into the Disposal of Territory Waste	No	-	Select	Consultancy	Yes	Mike Ritchie and Associates Pty Ltd T/A MRA Consulting Group	37,884.00	18/09/2015	01/12/2015	No
ACTGOVRFQ-1-409	Graphic Design Services	No	-	Quotations	Services (non-consultancy)	No	Schultz, Rebecca Ann trading as With the Grain	200,000.00	18/09/2015	30/09/2018	No

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.25538.130	Barton Hwy / Gundaroo Drive Intersection - Signalisation	No	-	Public	Works	No	Huon Contractors Pty Ltd	8,777,662.00	24/09/2015	24/09/2016	Yes
2015.26852.302	2015/16 Armoured Cable Replacement Program	No	-	Public	Consultancy	No	Northrop Consulting Engineers Pty Ltd	64,240.00	29/09/2015	28/06/2017	Yes
2015.26833.301	Safety Improvement Lighting Program - Design & Superintendence	No	-	Select	Consultancy	No	Northrop Consulting Engineers Pty Ltd	71,940.00	29/09/2015	28/07/2017	Yes
2015.27081.302	2015/16 Community Paths Capital Upgrade Program	No	-	Select	Consultancy	No	Northrop Consulting Engineers Pty Ltd	103,070.00	29/09/2015	29/09/2017	Yes
2015.25538.110	Barton Highway Roundabout Signalisation - Principals Authorised Person	No	-	Public	Consultancy	No	AECOM Australia Pty Ltd	601,440.00	30/09/2015	26/03/2017	Yes
2015.25797.110.02	Panel of Minor Civil Works Contractors for Roads ACT	Yes	-	Public	Works	No	B.M.D. Constructions Pty Ltd	-	30/09/2015	30/06/2017	No
C2015.2509	European Wasp Awareness and Entomological Advice Services	No	-	Quotations	Consultancy	No	The trustee for Bariesheff Family Trust T/A CoreEnviro Solutions Pty Ltd	56,210.00	01/10/2015	30/09/2016	Yes
2015.20898.300	Red Hill Reserve Remediation	No	-	Select	Consultancy	No	Environmental Strategies Pty Ltd	103,757.50	06/10/2015	28/02/2016	Yes
2015.25239.300	Mugga II Quarry - Development of Infrastructure and Associated Works	No	-	Public	Works	No	Woden Contractors Pty Ltd	2,430,594.16	08/10/2015	07/04/2017	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.27087.110	Black Spot Projects 2015/16. Design & Construction Superintendence	No	-	Public	Consultancy	No	R.D. Gossip Pty Ltd	171,500.00	19/10/2015	30/06/2017	Yes
2015.26778.110	Thin Open Graded Asphalt Surfacing (TOGAS) 2015/16	No	-	Public	Works	No	Downer EDI Ltd	501,108.19	29/10/2015	10/03/2018	Yes
2015.27171.110	Bus Stop Upgrades - DDA Compliance - Package 25	No	-	Public	Works	No	Kuna Contractors Pty Ltd.	140,200.00	02/11/2015	11/01/2017	Yes
2015.27194.110	Shopping Centre Upgrades 2014/15 - Principals Authorised Person	No	-	Select	Consultancy	No	Black Mountain Construction Assurance Pty Ltd	111,100.00	02/11/2015	30/06/2017	Yes
2015.27106.110	2015/2016 Residential Street Improvements Program - Design and Construction Superintendence	No	-	Select	Consultancy	No	R.D. Gossip Pty Ltd	141,106.87	03/11/2015	30/09/2017	Yes
2015.27172.110	Belconnen Town Centre and West Belconnen to City Improved Cycling Connections - Feasibility Studies	No	-	Select	Consultancy	No	SMEC Australia Pty Ltd	112,569.88	04/11/2015	30/01/2016	Yes
2015.27143.110	Age Friendly Suburbs - Weston, Kaleen, Ainslie & Monash - Design and Superintendence	No	-	Public	Consultancy	Yes	GHD Pty Ltd	106,700.00	12/11/2015	30/10/2017	No
2015.26834.110	Asphalt Overlay on ACT Roads 2015/16	No	-	Public	Works	No	Norman McMahon Patches Pty Ltd. t/a Patches Asphalt	665,650.75	12/11/2015	20/01/2018	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.27193.110	Woden Town Centre Cycle & Pedestrian Network Improvements	No	-	Public	Consultancy	No	Aecom Australia Pty Ltd	84,040.00	16/11/2015	15/01/2016	Yes
2015.27116.301	2015/2016 Arterial Barriers Improvement Program, Design & Superintendence	No	-	Select	Consultancy	No	SMEC Australia Pty Ltd	62,403.00	17/11/2015	30/06/2017	No
2015.26636.300	National Arboretum Canberra Event Terrace Precinct	No	-	Public	Consultancy	No	Karina Harris & Neil Hobbs t/a Harris Hobbs Landscapes	96,833.00	17/11/2015	30/08/2017	Yes
2015.25979.210	Forest Yield Scheduling, Harvesting, Haulage and Marketing Services	No	-	Public	Services (non-consultancy)	No	Forestry Corporation of NSW	1,610,000.00	19/11/2015	31/01/2021	No
2015.27281.100	Horse Park Drive Duplication - Design Services	No	-	Select	Consultancy	No	SMEC Australia Pty Ltd	554,200.00	20/11/2015	30/06/2016	No
ACTGOVRFQ-1-438	Local Shopping Centre Upgrade Program Review	No	-	Quotations	Consultancy	No	Macroplan Holdings Pty LTD	77,000.00	23/11/2015	23/06/2016	No
2015.27178.110	Designs for Bridge Strengthening on the B-Double Network to SM1600	No	-	Public	Consultancy	No	SMEC Australia Pty Ltd	197,220.00	24/11/2015	30/07/2016	Yes
2015.27219.300	Gungahlin Public Carpark Improvements - Design and Superintendence	No	-	Public	Consultancy	No	Northrop Consulting Engineers Pty Ltd	31,754.00	25/11/2015	30/05/2017	Yes
2015.26412.110.09	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	R.D. Gossip Pty Ltd	-	26/11/2015	30/11/2017	Yes
2015.26036.310	Hector McIntosh Grove Access Road Improvements	No	-	Public	Works	No	Canberra Contractors Pty Ltd	653,683.15	27/11/2015	24/06/2016	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.26784.110	Mitchell Resource Management Centre Safety Upgrades - Design Services	No	-	Public	Consultancy	No	SMECAustralia Pty Ltd	51,941.30	30/11/2015	30/07/2016	Yes
2015.27171.111	Bus Stop Upgrades - DDA Compliance	No	-	Select	Works	No	J.B Dyer & G Henness t/a Henness Concreting Contractors	199,983.05	30/11/2015	08/02/2017	Yes
2011.25809.210	Management of the Reusable Facility at Mugga Lane Resource Management Centre	No	-	Public	Services (non-consultancy)	No	C Bigg Wither and G Srejc	-	30/11/2015	29/11/2020	Yes
2015.26412.110.03	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	Calibre Consulting (ACT) Pty Ltd	-	01/12/2015	30/11/2017	No
2015.26412.110.05	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	GHD Pty Ltd	-	01/12/2015	30/11/2017	No
2015.26412.110.06	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	Indesco Pty Ltd	-	01/12/2015	30/11/2017	Yes
2015.25722.110.07	Concrete Works Panel	Yes	-	Public	Works	No	C.M Dale & T Dale & R. I Hitchcock & A.M McKenna t/a Dale & Hitchcock Engineering & Landscaping	-	01/12/2015	30/11/2017	Yes
2015.26412.110.11	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	Taylor Thomson Whitting (ACT) Pty Ltd	-	01/12/2015	30/11/2017	Yes
2015.26809.210	Supply and Delivery of Growing Media to Yarralumla Nursery	No	-	Public	Goods	No	Martins Fertilizers Pty Ltd	400,000.00	01/12/2015	30/11/2018	Yes
2015.25722.110.03	Concrete Works Panel	Yes	-	Public	Works	No	C.B. Excavations Pty Ltd	-	02/12/2015	30/11/2017	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.25722.110.05	Concrete Works Panel	Yes	-	Public	Works	No	Complex Civil Pty Ltd	-	02/12/2015	30/11/2017	Yes
2015.27474.110	Professional Services	No	-	Single Select	Consultancy	Yes	ARRB Group Ltd	550,000.00	02/12/2015	01/12/2017	No
1512558	Request for Specialist Advice	No	-	Single Select	Consultancy	Yes	Robert Peter Austin	31,680.00	07/12/2015	12/12/2015	Yes
2015.27194.120	Shopping Centre Upgrades 2014/15 - Construction	No	-	Public	Works	No	Pyramid Corporation Pty Ltd	1,302,739.90	07/12/2015	30/06/2017	Yes
2015.27214.110	Sullivans Creek Cycle Path Upgrade - Design and Superintendence	No	-	Public	Consultancy	No	SMEC Australia Pty Ltd	109,966.00	07/12/2015	30/08/2017	No
2015.23639.310	Leachate Transfer Pipe and South East Bund Expansion	No	-	Single Select	Works	Yes	Remondis Australia Pty Ltd	77,922.09	08/12/2015	31/12/2016	Yes
2015.23639.320	Leachate Transfer Pipe and SE Bund Expansion	No	-	Select	Works	No	Simeonov Civil Engineering (A.C.T.) Pty Ltd	239,410.97	08/12/2015	15/01/2017	Yes
2015.25722.110.01	Concrete Works Panel	Yes	-	Public	Works	No	Angus Finlayson Pty Ltd	-	08/12/2015	30/11/2017	Yes
2015.26412.110.01	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	Aecom Australia Pty Ltd	-	08/12/2015	30/11/2017	No
2015.25722.110.04	Concrete Works Panel	Yes	-	Public	Works	No	Civil Wex Pty Ltd	-	08/12/2015	30/11/2017	Yes
2015.25722.110.06	Concrete Works Panel	Yes	-	Public	Works	No	Contour Constructions (ACT) Pty Ltd	-	08/12/2015	30/11/2017	Yes
2015.25722.110.09	Concrete Works Panel	Yes	-	Public	Works	No	JSK Excavations Pty Ltd	-	08/12/2015	30/11/2017	Yes
2015.25722.110.10	Concrete Works Panel	Yes	-	Public	Works	No	Xmplar Building Solutions Pty Ltd.	-	08/12/2015	30/11/2017	Yes
2015.26412.110.10	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	SMEC Australia Pty Ltd	-	08/12/2015	30/11/2017	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.23639.330	Leachate Transfer Pipe and SE bound expansion	No	-	Single Select	Works	No	Waterland Pty Ltd	146,135.00	09/12/2015	15/01/2017	Yes
2015.23639.321	Leachate Transfer Pipe and South East bund expansion - liner works	No	-	Single Select	Works	Yes	Jaylon Victoria Pty Ltd	101,495.90	10/12/2015	15/01/2017	Yes
2015.25722.110.08	Concrete Works Panel	Yes	-	Public	Works	No	J.B Dyer & G Henness t/a Henness Concreting Contractors	-	11/12/2015	30/11/2017	Yes
2015.23116.320	Wentworth Avenue Pavement Rehabilitation Stage 2 - Construction	No	-	Public	Works	No	Chincivil Pty Ltd	1,836,170.77	14/12/2015	05/04/2017	Yes
2015.26835.200	Hindmarsh Drive - Tuggeranong Parkway to Eggleston Crescent Forward Design	No	-	Public	Consultancy	No	Indesco Pty Ltd	142,740.00	15/12/2015	30/06/2016	Yes
2015.27423.110	ACT Bridge Maintenance Program 2015/2016	No	-	Select	Consultancy	No	SMEC Australia Pty Ltd	76,244.00	15/12/2015	30/06/2017	No
2015.27178.120	Bridge Strengthening 2015/16 - Design & Superintendence	No	-	Select	Consultancy	No	Northrop Consulting Engineers Pty Ltd	98,495.00	16/12/2015	30/06/2017	Yes
2015.26412.110.02	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	Arup Pty Ltd	-	16/12/2015	30/11/2017	No
2015.26412.110.04	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	Cardno (NSW/ACT) Pty Ltd	-	16/12/2015	30/11/2017	No
2015.26412.110.07	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	Northrop Consulting Engineers Pty Ltd	-	16/12/2015	30/11/2017	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.26412.110.08	Design Services Consultancy Panel	Yes	-	Public	Consultancy	No	Opus International Consultants (Australia) Pty Ltd	-	16/12/2015	30/11/2017	Yes
2015.27192.110	Tuggeranong Town Centre Improved Cycling Conditions	No	-	Select	Consultancy	No	GTA Consultants (NSW) Pty Ltd	63,000.00	17/12/2015	15/01/2015	Yes
2015.27177.100	Molonglo River Centenary Trail High Level Crossing	No	-	Select	Consultancy	No	Indesco Pty Ltd	76,945.00	18/12/2015	18/06/2016	Yes
2014.25792.210	Supply of Tyres and Ancillary Services for the ACTION Bus Fleet	No	-	Public	Goods	No	Bridgestone Australia Ltd	3,500,000.00	22/12/2015	22/12/2018	No
2015.27090.310	Public Toilet Upgrade Capital Upgrade Project 2015/16 Design and Superintendence	No	-	Select	Consultancy	No	Richard Small & Phil Quinton Architects Pty Ltd the Trustee for Small & Quinton Architects Unit Trust t/a SQC Architecture	49,419.00	30/12/2015	30/06/2018	Yes
2016.27453.300	Black Mountain Peninsula - Irrigation - Pump House Renewal	No	-	Select	Works	No	Pyramid Corporation Pty Ltd	132,000.00	11/01/2016	15/03/2017	Yes
2015.26784.330	Mitchell Resource Recovery Cent - Pavement Widening	No	-	Select	Works	No	Kuna Contractors Pty Ltd.	84,447.00	13/01/2016	30/04/2017	Yes
2016.26754.330	Replacement of Roller Doors at 11 Alderson Place in Hume, ACT	No	-	Public	Works	No	Kone Elevators Pty Ltd	135,248.00	18/01/2016	18/02/2017	No

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2015.27224.110	Erindale Group Centre Gartside Street South Improvements Stage 1 - Design and Superintendence	No	-	Public	Consultancy	No	Indesco Pty Ltd	139,621.00	18/01/2016	30/06/2018	Yes
2015.26263.210	Reduction of road and trail-side vegetation on various roads and trails within the ACT in order to establish and maintain access standards required under the Strategic Bushfire Management Plan.	Yes	4,500,000.00	Public	Services (non-consultancy)	No	Summitt Earthworks Pty Ltd	-	19/01/2016	19/01/2019	Yes
35093URP	Kambah Group Centre-Public Domain Improvements-Stage 1-Feasibility Design Study and Preliminary Sketch Plans	No	-	Quotations	Consultancy	No	The trustee for Redbox Design Group Unit Trust T/A Redbox Design Group Pty Ltd	51,997.00	20/01/2016	30/07/2016	Yes
2016.27431.300	Barrer Restoration Project 2015/16-2017/18 - Misery Point and Barrer Hill	No	-	Public	Works	No	Provincial Native Plants Pty Ltd t/a Provincial Plants and Landscapes	707,482.60	20/01/2016	20/01/2021	Yes
2015.26263.220	Reduction of road and trail-side vegetation on various roads and trails within the ACT in order to establish and maintain access standards required under the Strategic Bushfire Management Plan.	Yes	4,500,000.00	Public	Services (non-consultancy)	No	McMahon's Earthmoving Pty Ltd	-	21/01/2016	21/01/2019	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2016.27466.310	Kama Nature Reserve - Targeted UXO (Unexploded Ordnance) Survey	No	-	Select	Consultancy	No	Milsearch Pty Ltd.	58,495.00	27/01/2016	30/06/2016	Yes
2016.26677.301	Gundaroo Drive Duplication Stage 1 - Gungahlin Drive to Mirrabai Drive - Principals Authorised Person	No	-	Public	Consultancy	No	Professional Engineering Service Pty Ltd	1,091,240.00	27/01/2016	15/12/2017	Yes
27390.21	Operation of the Hume Materials Recovery (Hume MRF)	No	-	Public	Services (non-consultancy)	No	RDT Operations (Hume) Pty Ltd	2,655,000.00	31/01/2016	03/01/2019	No
2015.25722.110.02	Concrete Works Panel	Yes	8,000,000.00	Public	Works	No	Benchmark Commercial Contractors Pty Ltd	-	01/02/2016	30/11/2017	Yes
2015.25141.321	Removal of Fuel Tanks at Tuggeranong Bus Depot	No	-	Select	Consultancy	No	AECOM Australia Pty Ltd	58,180.00	01/02/2016	01/12/2017	No
2016.27357.111	Catchpole Street Gross Pollution Trap	No	-	Select	Works	No	Complex Civil Pty Ltd	43,960.76	03/02/2016	25/03/2017	Yes
CLS010	Supply and Delivery of Trolley Liners, Trolley Covers and Overhead Rail Bags.	No	-	Single Select	Goods	No	Filterfab Pty Ltd.	33,803.00	04/02/2016	15/02/2017	No
2016.27512.300	Isaacs Ridge Trail Network Upgrade	No	-	Select	Works	No	Jindabyne Landscaping Pty Ltd.	100,655.00	04/02/2016	04/08/2017	Yes
2016.27087.120	Ginninderra Drive / Coulter Drive Intersection Upgrade	No	-	Public	Works	No	Complex Civil Pty Ltd	272,305.70	08/02/2016	20/03/2017	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2016.27401.110	Kingston Group Centre Pedestrian and Cyclist Accessibility Improvements Design	No	-	Select	Consultancy	No	R.D. Gossip Pty Ltd	53,020.00	09/02/2016	09/08/2016	Yes
2016.26677.401	Construction of Gundaroo Drive Duplication – Stage 1 (Gungahlin Drive to Mirrabai Drive)	No	-	Public	Works	No	Woden Contractors Pty Ltd	15,715,266.02	09/02/2016	22/08/2017	Yes
2015.27087.140	Black Spot Project 2015/16 Package 3	No	-	Select	Works	No	Lockton's Traffic Solutions Pty Ltd	37,413.70	10/02/2016	23/03/2017	Yes
2015.27171.112	Bus Stop Upgrades Package 27	No	-	Select	Works	No	C.B. Excavations Pty Ltd	137,919.52	10/02/2016	21/04/2017	Yes
2015.25200.210	West Belconnen Resource Management Centre Environmental Remediation Services	No	-	Public	Services (non-consultancy)	No	Goldsmith Civil & Environmental Pty Ltd	4,000,000.00	11/02/2016	11/02/2023	No
2016.26840.300	Provision of Drinking Fountains - Package C	No	-	Select	Works	No	Waterland Pty Ltd	49,852.00	15/02/2016	29/05/2017	Yes
2016.27416.110	Weston Group Centre – Briery Street & Trennery Square Upgrade Design	No	-	Public	Consultancy	No	Redbox Design Group Pty Ltd ATF Redbox Design Group Unit Trust	173,868.00	15/02/2016	30/06/2017	Yes
2016.27081.402	2015/16 Community Paths Construction - Packages A & B	No	-	Public	Works	No	Butterfly Constructions Pty Ltd	502,936.50	16/02/2016	07/06/2017	Yes
2016.27278.320	Active Travel Improvements. Wattle Street & Wakefield Avenue - Shared Path	No	-	Public	Works	No	C.B. Excavations Pty Ltd	799,101.15	22/02/2016	13/06/2017	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2016.27410.300	Federal Highway - Truck Lay-Bys Construction	No	-	Public	Works	No	C.M Dale & T Dale & R.I Hitchcock & A.M McKenna t/a Dale & Hitchcock Civil Engineering & Landscaping	2,807,754.24	24/02/2016	22/06/2017	Yes
2016.26833.402	2015/16 Safety Improvement Lighting Program - Street Light Installation and Upgrade	No	-	Public	Works	No	W.R. Electrical Pty Ltd t/a Affinity Electrical Technologies	247,926.09	25/02/2016	16/06/2017	Yes
2016.26852.402	Armoured Cable Replacement 2015/16	No	-	Public	Works	No	W.R. Electrical Pty Ltd t/a Affinity Electrical Technologies	262,719.60	25/02/2016	16/06/2017	Yes
2015.27171.113	Bus Stop Upgrades Package 28	No	-	Select	Works	No	Contour Constructions (ACT) Pty Ltd	100,317.38	26/02/2016	08/04/2017	No
2016.27117.110	Fisken Crescent Improvements Cut Off Drain (Site 4)	No	-	Public	Works	No	Complex Civil Pty Ltd	492,823.20	02/03/2016	08/06/2017	Yes
2016.27357.113	Florey Drive Gross Pollution Trap	No	-	Select	Works	No	Komplex Civil Pty Ltd	26,484.34	03/03/2016	25/03/2017	Yes
2016.27357.112	Ginninderra Drive Gross Pollution Trap	No	-	Select	Works	No	Complex Civil Pty Ltd	27,787.26	03/03/2016	25/03/2017	Yes
2016.27087.160	Black Spot Projects 2015/16 - Package 5	No	-	Public	Works	No	C.M Dale & T Dale & R.I Hitchcock & A.M McKenna t/a Dale & Hitchcock Civil Engineering & Landscaping	918,850.53	03/03/2016	07/07/2017	Yes
2016.27576.300	Barrar Restoration Log Placement Project	No	-	Select	Works		Zamonti Pty Ltd	19,600.00	04/03/2016	04/09/2017	Yes

Contract Number	Brief Description of Contract	Panel Contract		Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2016.26839.300	Supply and Install Street Furniture	No	-	Select	Works	No	J and E Carpentry Pty Ltd	43,021.00	08/03/2016	01/05/2017	Yes	
2016.25141.322	Tuggeranong Bus Depot - Removal of Fuel Tanks	No	-	Public	Works	No	Enviropacific Services Pty Ltd	168,583.52	08/03/2016	17/05/2017	Yes	
2016.23278.301	Ashley Drive Stage 2 - Noise Walls	No	-	Public	Works	No	Simeonov Civil Engineering Pty Ltd	798,326.21	09/03/2016	01/06/2017	Yes	
ACTGOVRFQ-1-435	Debt Recovery Services	No	-	Quotations	Services (non-consultancy)	No	Austral Mercantile Collections Pty Ltd	90,000.00	10/03/2016	31/03/2019	No	
2016.27116.401	2015/16 Arterial Barrier Capital Upgrade Program	No	-	Public	Works	No	C.M Dale & T Dale & R.I Hitchcock & A.M McKenna t/a Dale &Hitchcock Civil Engineering & Landscaping	172,274.00	15/03/2016	05/05/2017	Yes	
160315SO	Mattress Recycling at the Hume Sheds	No	-	Single Select	Community-Based Services	Yes	Great Lakes Resources Incorporated trading as Soft Landing	-	16/03/2016	15/03/2019	No	
2016.27214.120	Sullivans Creek Path Road Crossings	No	-	Select	Works	No	Simeonov Civil Engineering Pty Ltd	199,956.00	17/03/2016	10/05/2017	Yes	
2016.26349.310	Point Hut Pond Playspace Upgrade	No	-	Public	Works	No	V Milenkovic & Z Milenkovic t/a Canberra United Landscapers	329,935.10	21/03/2016	26/05/2017	Yes	
2016.27087.150	Black Spot Projects 2015/16 - Package 4	No	-	Public	Works	No	C.B. Excavations Pty Ltd	518,691.80	23/03/2016	18/05/2017	Yes	

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2016.271107.115	Anketell Street (North) Tuggeranong - Design Consultancy	No	-	Public	Consultancy	No	Karina Harris & Neil Hobbs t/a Harris Hobbs Landscapes	162,910.00	29/03/2016	31/12/2016	Yes
2016.271172.111	Belconnen Town Centre, Improved Cycling Connections, Minor Works Package - Preliminary Design	No	-	Select	Consultancy	No	GTA Consultants (NSW) Pty Ltd	17,600.00	30/03/2016	30/06/2016	Yes
2016.271192.112	Tuggeranong Town Centre Improved Cycling Connections - Major Works Package - Preliminary Design	No	-	Select	Consultancy	No	GTA Consultants (NSW) Pty Ltd	29,700.00	30/03/2016	30/06/2016	Yes
2016.27578.310	Parkes Way Traffic Modelling and Design Development	No	-	Public	Consultancy	No	Arup Pty Ltd	1,052,578.00	30/03/2016	01/03/2017	No
2016.27087.130	Black Spot 2015/2016 - Package 2	No	-	Public	Works	No	Colemans Group (Aust) Pty Ltd	872,286.10	30/03/2016	21/06/2017	Yes
2016.27634.110	Acton Tunnel Restoration - Design & Superintendence	No	-	Public	Consultancy	No	Aecom Australia Pty Ltd	114,334.20	31/03/2016	30/06/2017	No
2016.271192.111	Tuggeranong Town Centre Improved Cycling Connections - Minor Works Package - Preliminary Design	No	-	Select	Consultancy	No	Opus International Consultants (Australia) Pty Ltd	18,700.00	01/04/2016	30/06/2016	Yes
2016.26353.412	Welcome to Canberra Signs - Fabrication Works	No	-	Public	Works	No	Can-Weld Contracting Pty Ltd	303,710.00	01/04/2016	24/06/2017	Yes
2016.26353.411	Welcome to Canberra Signs - Civil Works	No	-	Public	Works	No	Complex Civil Pty Ltd	381,838.42	01/04/2016	01/07/2017	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2016.23278.510	Ashley Drive Upgrade Stage 2 Pedestrian Bridge	No	-	Public	Works	No	Cord Civil Pty Ltd	999,529.91	04/04/2016	21/08/2017	No
2016.26127.220	Panel for the Provision of Aviation Services for Fire and Land Management Operations and Aviation Related Training	Yes	4,500,000.00	Public	Services (non-consultancy)	No	Truenorth No 2 Pty Ltd	-	04/04/2016	04/04/2019	Yes
2016.26127.230	Panel for the Provision of Aviation Services for Fire and Land Management Operations and Aviation Related Training	Yes	4,500,000.00	Public	Services (non-consultancy)	No	Aviation Utilities Pty Ltd	-	04/04/2016	04/04/2019	No
2016.26127.240	Panel for the Provision of Aviation Services for Fire and Land Management Operations and Aviation Related Training	Yes	4,500,000.00	Public	Services (non-consultancy)	No	John Dermot Murray as the Trustee for the TF Trust trading as Forest Air Helicopters Pty Ltd	-	04/04/2016	04/04/2019	No
2016.27172.112	Belconnen Town Centre Improved Cycling Connections - Major Works Package - Preliminary Design	No	-	Public	Consultancy	No	SMEC Australia Pty Ltd	64,415.00	05/04/2016	30/06/2016	Yes
2016.26127.210	Panel for the Provision of Aviation Services for Fire and Land Management Operations and Aviation Related Training	Yes	4,500,000.00	Public	Services (non-consultancy)	No	Heli Surveys Pty Ltd	-	05/04/2016	05/04/2019	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2016.27219.320	Gungahlin Temporary Public Carpark Construction	No	-	Public	Works	No	Group One Pty Ltd	351,886.95	06/04/2016	18/05/2017	Yes
ACTGOVRFQ-1-499	Supply of Smartcards and the Provision of MyWay Bureau Services	No	-	Single Select	Services (non-consultancy)	Yes	Monitor WA Pty Ltd	195,000.00	12/04/2016	11/04/2017	No
2016.27641.100	Horse Park Drive Duplication Design Documentation between Mulligans Flat Road and Gundaroo Drive	No	-	Select	Consultancy	No	Indesco Pty Ltd	440,388.00	13/04/2016	30/09/2016	No
2016.27206.310	Mugga Lane Resource Management Centre Cell 1 Landfill Construction	No	-	Public	Works	No	C.M Dale & T Dale & R.I Hitchcock & A.M McKenna t/a Dale & Hitchcock Civil Engineering & Landscaping	7,217,774.22	13/04/2016	12/04/2017	Yes
2016.27590.110	Cycle Training Facilities Design and Superintendence	No	-	Select	Consultancy	Yes	Redbox Design Group	36,950.00	13/04/2016	28/02/2018	Yes
2016.26627.310	2015/16 Shopping Centre Upgrades - Superintendent Services	No	-	Select	Consultancy	Yes	Black Mountain Construction Assurance Pty Ltd	59,004.00	14/04/2016	30/08/2017	Yes
2016.27352.110	Oaks Estate River Corridor Heritage Walk Improvements Design and Superintendence	No	-	Select	Consultancy	No	Karina Harris & Neil Hobbs t/a Harris Hobbs Landscapes	40,965.00	15/04/2016	13/04/2018	Yes
2016.26694.121	Supply, Install, Support & Maintain CCTV Cameras on North Canberra Intersections	No	-	Public	Works	No	FS Solutions (ACT) Pty Ltd	256,676.85	15/04/2016	15/04/2019	Yes

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2016.27682.322	Woden Town Centre Street Light WiFi Upgrade	No	-	Select	Works	No	Ecowise Services (Aust) Pty Ltd	153,921.33	18/04/2016	14/11/2016	Yes
2016.26784.310	Mitchell Resource Management Centre Safety Upgrades - Household Hazardous Waste Facility Relocation	No	-	Select	Works	No	C.B. Excavations Pty Ltd	231,000.00	18/04/2016	12/06/2017	Yes
2016.27578.300	Barrar Restoration Vertical Habitat Structures	No	-	Select	Works	No	Climb High Tree Services Pty Ltd	47,025.00	18/04/2016	30/06/2017	Yes
ACTGOVRFQ-1-480	Annual Playground Inspection	No	-	Quotations	Consultancy	No	Directions Management and Consulting Pty Ltd T/A Play DMC	119,614.00	19/04/2016	19/04/2017	No
2016.26627.320	Shopping Centre Upgrades 2015/16 - Construction	No	-	Public	Works	No	Pyramid Corporation Pty Ltd	730,986.30	21/04/2016	27/07/2017	Yes
2016.27090.500	Public Toilet Upgrades 2015/16 - Chifley and Lake Ginninderra Toilets	No	-	Public	Works	No	Cercol Construction Services Pty Ltd	204,407.30	22/04/2016	30/05/2017	Yes
2016.27206.120	Construction of Cell 1 at Mugga Lane Resource Management Centre - Superintendence	No	-	Public	Consultancy	No	SMEC Australia Pty Ltd	351,903.00	22/04/2016	30/04/2018	No
2016.27651.110	Road Pavement Assessments 2016/17 Resurfacing Program	No	-	Select	Consultancy	No	Calibre Consulting (ACT) Pty Ltd	234,883.00	28/04/2016	28/04/2017	No

Contract Number	Brief Description of Contract	Panel Contract	Panel Total Amount	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contract Name	Contract Amount	Execution Date	Expiry Date	Small to Medium Enterprise (SME)
2016.27453.330	Black Mountain Peninsula - Irrigation Upgrade	No	-	Select	Works	No	Tuggeranong Irrigation and Plumbing Pty Ltd t/a Enviroact Plumbing	357,800.00	02/05/2016	16/06/2016	Yes
CORRO 16/4	Macarthur House Reception Services	Yes	-	Single Select	Services (non-consultancy)	Yes	Koomarri	170,000.00	02/05/2016	01/05/2018	Yes

APPENDIX 2: ANNEXED REPORTS

The following are declared public authorities that are required to provide their annual reports as an annex to the report of the Territory and Municipal Services Directorate. The ACT Public Cemeteries Authority is also a declared authority whose report appears in Volume 2.

- > ACT VETERINARY SURGEONS BOARD
- > ANIMAL WELFARE AUTHORITY

ANNEXURE 1 - ACT VETERINARY SURGEONS BOARD

The ACT Veterinary Surgeons Board (the Board) is a statutory board established under the *Veterinary Surgeons Act 2015*, and has a broad range of responsibilities including:

- > registration of appropriately qualified persons as veterinary surgeons, including specialists, enabling them to practise veterinary surgery in the ACT;
- > ensuring that the interests of the public and the welfare of animals in the ACT are protected through the continuing development of professional standards for veterinary surgeons;
- > advising the government, through the responsible Minister, agencies and interest groups on matters relating to veterinary surgery and practice in the ACT;

- > conducting inquiries to ensure the professional standards for veterinary surgeons are met and maintained; and
- > engaging with other States and Territories on veterinary practice, as well as representing the ACT through peak industry bodies.

The Board comprises seven members, four appointed by the responsible Minister including the President and the Community Representative. The other three members are elected by the veterinary profession from within the ACT. With the exception of the Community Representative, all members are registered veterinary surgeons in the ACT.

During the reporting period, the Board membership comprised:

MINISTERIAL APPOINTMENTS:

Name	Position on Board	Date Appointed	Appointment Expiry
Dr Sarah Webb	President	14 May 2015	13 May 2019
Dr Steven Roberts	Deputy President	23 August 2012	10 August 2016
Dr Delwyn Fenby	Board Member	14 May 2015	13 May 2019
Ms Eileen Jerga, AM	Community Representative	2 June 2015	1 June 2019

ELECTED MEMBERS:

Name	Position on Board	Date elected	Election Expiry
Dr John Aspley- Davis	Board Member	24 October 2013	23 October 2017
Dr Allen Bryce	Board Member	21 July 2015	23 October 2017
Dr Eloise Koelmeyer	Board Member	21 July 2015	23 October 2017

The Board met on 11 occasions during the year with attendance outlined in Table 1.

TABLE 1: BOARD MEMBER ATTENDANCE

Member	JUL	AUG	SEP	OCT	NOV	JAN	FEB	MAR [^]	APR	MAY [#]	JUN
Dr Sarah Webb	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dr Steven Roberts	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dr Delwyn Fenby	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y
Dr John Aspley-Davis	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dr Allen Bryce	Y	Y	Y	N	Y	Y	N	Y	Y	Y	Y
Dr Eloise Koelmeyer	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y
Ms Eileen Jerga	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y

Notes:

[^] The March board meeting was held on 1 April 2016 on account of members availability

[#] The May board meeting was held on 3 June 2016 on account of members availability

On 20 July 2015, in accordance with section 59(4) of the *Health Professionals Regulation 2004*, the Electoral Commissioner declared Dr Eloise Koelmeyer and Dr Allen Bryce elected to fill two casual vacancies.

Remuneration for Board members is paid based on attendance at meetings, and is currently set at \$425 per meeting for the President and \$400 for Board members.

The secretariat for the Board is provided TAMS and provides a critical function in the day-to-day administration of the Board's affairs.

The TAMS provided secretariat for the Board for 2015-16 comprised:

- > Registrar – Mr Anthony Polinelli (until May 2016);
- > Deputy Registrar – Mr Phil Andrews, JP (until June 2016);
- > Executive Officer – Ms Nikki Pulford (from 3 June 2016); and
- > Business Support Officer – Mrs Vicki Little.

The secretariat commenced a review of the Board's governance arrangements to ensure the Board's policies and procedures are compliant with broader ACT legislation and ACT Government direction. A review of the Board's website that is hosted by TAMS also started to improve the relevance of information and provide easier access to users. The secretariat provided ongoing support to the Board and the veterinary community with the provision of a seasonal newsletter that provided relevant information to registered veterinarians within the ACT.

The Veterinary Surgeons Standards Statement is an important document that outlines the standards of practice and other ancillary information to which veterinary surgeons in the ACT must adhere.

The current Standards Statement was issued in 2009. The Board has commenced a review to ensure the Standards remain relevant and continue to maintain the high standard of professional practice expected of veterinary surgeons in the ACT. The review also aims to remain consistent with the professional standards in other jurisdictions. At 30 June 2016 there were 336 practising veterinary surgeons, including specialists, registered in the ACT. The Board recognises the diversity of the veterinary profession in the ACT, including those in public service and private practice.

REGISTRANTS BY YEAR

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
272	256	245	310	297	336

The Board expects high standards of professional behaviour from veterinary surgeons in the ACT. This includes maintaining minimum professional standards of practice, mandating professional indemnity insurance and continuing professional development.

The Board received six new complaints in the 2015-16 year. Three were resolved and three remain under active management. The complaints process has been completed to ensure the process is as efficient as possible, and both the complainant and veterinary surgeons are afforded natural justice.

Continuing professional development (CPD) is compulsory for registered veterinary surgeons in the ACT. The ACT is among a number of Australian jurisdictions to have compulsory CPD for veterinary surgeons. It is important that all registered veterinary surgeons demonstrate a commitment to ongoing and relevant professional development, consistent with the nature of practice in which they are involved. The compulsory nature of CPD is an important aspect in maintaining public confidence in the profession.

The Board is not a Territory Authority for the purposes of the *Financial Management Act 1996*. The Board is self funded which includes the reimbursement of costs incurred by TAMS for provision of the secretariat function. TAMS managed the finances of the Board which are subject to audit by the ACT Audit Office. Considerable expenses are incurred in the establishment of Professional Standards Panels to investigate complaints.

2015-16 FINANCIAL STATEMENT

Cash at Bank Balance 1 July 2015 (as per the reported closing cash at bank balance in the 2014-15 Annual Report)	270,347
Less cash deposits received but not transferred to the Veterinary Surgeons Board bank account at the 30 June 2015 balance date	(16,212)
Cash at Bank Balance 1 July 2015 (audited)	254,135
Cash Inflows 2015-2016	130,263
Cash Outflows 2015-2016	161,337
Cash at Bank Balance 30 June 2016	223,061
Less cash deposits received but not transferred to the Veterinary Surgeons Board bank account at the 30 June 2015 balance date	(16,212)

The Board continued to maintain its membership of the Australasian Veterinary Boards Council (AVBC) and is an active contributor in the discussion and development of the veterinary profession within Australia and New Zealand. Dr John Aspley Davis is the ACT representative on the AVBC.

The AVBC met regularly throughout the year with the Annual General Meeting (AGM) held in Adelaide. State, Territory and New Zealand Board representatives, all attended the AGM to discuss issues of common interest to the veterinary profession.

The National Recognition of Veterinary Registration (NRVR) will be reviewed to ascertain what changes need to be made to harmonise the new legislation with other jurisdictions. Implementation of the NRVR will facilitate the movement of veterinarians between jurisdictions while ensuring the interests of the ACT are maintained. This is important in the ACT where there are few resident specialists and a locum for a practice can be difficult to arrange.

For further information:

T (02) 6207 0012

Dr Sarah Webb, President

Ms Nikki Pulford, Executive Officer
ACT Veterinary Surgeons Board
12 Wattle Street
Lyneham ACT 2602
GPO Box 158
Canberra ACT 2601

E vetboard@act.gov.au

www.tccs.act.gov.au/about-us/veterinary-surgeons-board

ANNEXURE 2 - ANIMAL WELFARE AUTHORITY

During the reporting period, TAMS was the ACT Government's lead agency for animal welfare and administered the *Animal Welfare Act 1992* (AWA Act), which regulates offences such as animal cruelty. The AWA Act has a range of enforcement powers to promote and monitor acceptable standards of care, and protect animals from cruelty or welfare offences. The Director of City Services within TAMS was the appointed Animal Welfare Authority for the ACT.

The ACT Government continued its service funding agreement with RSPCA ACT to provide animal welfare services including the provision of authorised inspectors under the AWA Act. As at 30 June 2016, two inspectors from the RSPCA, thirteen officers from TAMS and all police officers were appointed as inspectors under the AWA Act.

The Animal Welfare Advisory Committee (AWAC) is a statutory committee established under section 109 of the AWA Act. AWAC met on 10 occasions in 2015-16 and undertook the following activities:

- > advised the Minister on animal welfare matters;
- > progressed the following codes of practice:
 - Code of Practice for the Keeping of Reptiles in the ACT;
 - Code of Practice for the Welfare of Native Wildlife;
 - Code of Practice for the Care and Welfare of Dogs in the ACT; and
 - Code of Practice for the Care and Welfare of Cats in the ACT.
- > provided input regarding amendments made to the AWA Act and *Domestic Animals Act 2000* via the *Domestic Animals (Breeding) Legislation Amendment Act 2015*. The purpose of these amendments was to prevent intensive breeding of cats and dogs in the ACT by making it an offence, and also created a license scheme to regulate breeders of cats and dogs in the ACT. The amendments commenced on 15 September 2015; and

- > provided input into further amendments to the AWA Act. The purpose of these amendments was to more clearly and effectively prohibit acts of neglect and cruelty against animals. These amendments resulted in a number of significant changes to the regulation of animal welfare in the ACT, including the insertion of a new provision that imposes on a person in charge of an animal a duty to care for that animal. Under this duty of care, people are required to take reasonable steps to provide for their animal's basic needs. These amendments commenced on 31 May 2016 and ensure that the animal welfare regulatory regime in the ACT sends a clear statement about responsible ownership of animals.

Permits, investigations and prosecutions

In 2015-16 the Animal Welfare Authority issued:

- > one circus permit;
- > two licences for the use or breeding of animals for the purpose of research or teaching in the Australian Capital Territory; and
- > one commercial trapping permit.

For 2015-16, a total of 1,693 complaints regarding the alleged mistreatment of animals were investigated by inspectors from RSPCA ACT. Of 49 prosecutions initiated, 17 prosecutions relating to 83 charges were finalised and resulted in animal ownership bans ranging from 18 months to 10 years, 24 prosecutions relating to 92 charges are currently before the courts, and a further eight briefs relating to 26 charges were referred to the Director of Public Prosecutions.

For more information:

T (02) 6205 8479, Governance and Business Solutions

APPENDIX 3: ABBREVIATIONS AND ACRONYMS

ACT	Australian Capital Territory
ActewAGL	ACT Electricity, Water and Gas
ACTIA	ACT Insurance Authority
ACTION	ACT Internal Omnibus Network
ACTPS	ACT Public Service
AGM	Annual General Meeting
ANZAC	Australian and New Zealand Army Corps
ARIn	Attraction and Retention Incentive
ARRB	Australian Road Research Board
ASBA	Australian School-Based Apprenticeships
AVBC	Australasian Veterinary Boards Council
AWA	Australian Workplace Agreements
AWAC	Animal Welfare Advisory Committee
BA	Building applications
CMA	Capital Metro Agency
CMTEDD	Chief Minister, Treasury and Economic Development Directorate
CPD	Continuing professional development
DA	Development applications
DDA	Disability Design Australia
EAP	Employee Assistance Program
ELT	Executive Leadership Team
EPD	Environment and Planning Directorate
FTE	Full-time equivalent
HSA	Health and Safety Advisors
HSR	Health and Safety Representatives
IAC	Internal Audit Committee
IAMS	Information and Asset Management System
ICT	Information and communications technology
ISO	International Organisation for Standardisation
JACS	Justice and Community Safety Directorate
LCC	Lower Cotter Catchment
MLA	Member of the Legislative Assembly
MSD	Musculoskeletal disorder
NRVR	National Recognition of Veterinary Registration
NSW	New South Wales
NXTBUS	Real time passenger information
RED	Respect, Equity and Diversity
RMC	Risk Management Committee
RSPCA	Royal Society for Protection of Cruelty to Animals
SEA	Special employment arrangements
SERBIR	Senior Executive Responsible for Business Integrity Risk
SAMP	Strategic asset management plan
TAMS	Territory and Municipal Services Directorate
TCCS	Transport Canberra and City Services Directorate
WAE	Works as executed
WHSSC	Workplace Health and Safety Steering Committee

APPENDIX 4 LEGISLATION ADMINISTERED BY TAMS

Minister for Territory and Municipal Services
Animal Diseases Act 2005
Animal Welfare Act 1992
Cemeteries and Crematoria Act 2003
Domestic Animals Act 2000
Fertilisers (Labelling and Sale) Act 1904
Health Professionals Act 2004
Litter Act 2004
Pest Plants and Animals Act 2005
Plant Diseases Act 2002
Public Unleased Land Act 2013
Road Transport (Driver Licensing) Act 1999, sections 10, 36, 37 and 40
Road Transport (Driver Licensing) Regulation 2000, sections 5, 13, 14, 17, 32, 34, 40, 43, 55, 64A, 66 (5), 68, 69 (7), 70 (1) and (2), 85 (5) and (8), 89 (6), 138AB and 138B
Road Transport (Public Passenger Services) Regulation 2002, section 70 (1) (a) and (b)
Road Transport (Vehicle Registration) Act 1999, sections 8 and 29
Road Transport (Vehicle Registration) Regulation 2000, sections 26 (2), 27 (2) and (3), 28, 29, 31 (3), 32, 32A, 34, 35, 37 (1) and (2), 40, 41, 42 (2) and (4), 44, 49, 50 (2), 54 (1), 55, 56 (1), 61, 62, 63, 64 (2), 65 (3), (5) and (6), 68 (4), (5), (7), (8), (9) and (10), 72, 75, 77 (2) and (3), 78, 79, 83 (4) and (5), 86 (1) and (4), 90, 92, 160 (3), 162 (2), (3) and (4)
Stock Act 2005
Tree Protection Act 2005
Trespass on Territory Land Act 1932
Utilities Act 2000, part 14 and sections 254 and 256 in relation to part 14
Waste Minimisation Act 2001
Minister for Roads and Parking
Road Transport (General) Act 1999, sections 12, 13, 14, 19, 20, 45 (4) and (5) and 87, and administration provisions relating to fees and approval of forms, in relation to a function under the road transport legislation that is the responsibility of the Minister for Roads and Parking
Road Transport (General) Regulation 2000, sections 13AA and 14 (1), (2) and (3)
Road Transport (Safety and Traffic Management) Act 1999, sections 5A, 18, 20, 31 (1) and (2) and 32 (3) (c)
Road Transport (Safety and Traffic Management) Regulation 2000, sections 11, 31, 41 (3), 42 (3), 46, 51 and 64 (1) and (2)

APPENDIX 5: COMPLIANCE STATEMENT

The TAMS Annual Report 2015-16 must comply with the 2015 and 2016 Annual Report Directions found at the ACT Legislation Register: www.legislation.act.gov.au/ni/annual/2015.asp

The index below indicates the subsections of the Annual Report Directions that are applicable and the location of the information that satisfies these requirements. The TAMS Annual Report 2015-16 complies with all applicable subsections.

A.	Transmittal Certificate	Refer piii
B.	Organisation Overview and Performance	
B.1	Organisational Overview	Refer p3
B.2	Performance Analysis	Refer p13
B.3	Scrutiny	Refer p36
B.4	Risk Management	Refer p41
B.5	Internal Audit	Refer p41
B.6	Fraud Prevention	Refer p42
B.7	Work Health and Safety	Refer p43
B.8	Human Resource Management	Refer p45
B.9	Ecologically Sustainable Development	Refer p50
C.	Financial Management Reporting	
C.1	Financial Management Analysis	Refer p56
C.2	Financial Statements – TAMS	Refer p82
C.2	Financial Statements – ACTION	Refer p198
C.3	Capital Works	Refer p269
C.4 A	Asset Management	Refer p278
C.5	Government Contracting	Refer p281
C.6	Statement of Performance – TAMS	Refer p68
C.6	Statement of Performance – ACTION	Refer p78
D	Notices of Non Compliance	
D.1	Dangerous substances	nil to report
D.2	Medicines, Poisons and Therapeutic Goods	nil to report
E	Education and Training	not applicable
F	Health	not applicable
G	Gambling and Racing	not applicable
H	Ministerial and Director-General Directions	nil to report
I	Public Land Management Plans	Refer p26
J	Third Party Insurance	not applicable
K	Victims of Crime	not applicable
L	Waste Minimisation Contraventions	Refer p25

WHOLE OF GOVERNMENT REPORTING

All subsections listed under whole of Government reporting are aggregated with the contributions of other directorate's as follows:

- M Community Engagement and Support—see Chief Minister, Treasury and Economic Development Directorate 2015-16 Annual Report
- N** **Justice and Community Safety**—see Justice and Community Safety 2015-16 Annual Report
- N.1 Bushfire Risk management
- N.2 Freedom of Information
- N.3 Human rights
- N.4 Legal Services Direction
- O** **Public Sector Standards and Workforce Profile**—see Commissioner for Public Administration 2014-15 State of Service Report
- O.1 Culture and Behaviour
- O.2 Public Interest Disclosure
- O.3 Workforce Profile
- P** **Territory Records**—see Chief Minister, Treasury and Economic Development Directorate 2015-16 Annual Report

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