

16 17



ACT
Government

ANNUAL REPORT 2016-17

TRANSPORT CANBERRA AND CITY SERVICES

Volume 1

16 17



ACT
Government

ANNUAL REPORT 2016-17

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

Volume 1

ACKNOWLEDGEMENT OF COUNTRY

The Australian Capital Territory (ACT) is Ngunnawal Country. The ACT Government acknowledges the Ngunnawal people as the Traditional Custodians of the Canberra region.

The region is a significant meeting place to the Ngunnawal and surrounding Aboriginal Nations who have gathered here for thousands of years.

Transport Canberra and City Services acknowledges and respects the Aboriginal and Torres Strait Islander people, their continuing culture and the contribution they make to the life of this city and this region.

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Website www.tccs.act.gov.au

For information regarding the Transport Canberra and City Services Annual Report 2016 17, please contact the Governance and Business Solutions Branch on 6205 8479.

Publication No 17/0908

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:

Canberra Blind Society: **T** (02) 62474580

National Relay Service: **T** 133677

Translating and Interpreting Service: **T** 131450

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SECTION A

**SECTION A -
TRANSMITTAL
CERTIFICATE**

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

Dear Minister Fitzharris

Transmittal Certificate

I present the 2016-17 Annual Report of Transport Canberra and City Services (TCCS).

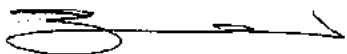
This Report has been prepared under section 6(1) of the *Annual Report (Government Agencies) Act 2004* and in accordance with the requirements under the Annual Report Directions. The Report has been prepared in conformity with all other legislation applicable to the preparation of an Annual Report for TCCS.


I certify that the information in the attached annual report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of TCCS has been included for the period 1 July 2016 to 30 June 2017.

I hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards 2006*, Part 2.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Report to the Legislative Assembly within 15 weeks after the end of the reporting year.

Yours sincerely



Emma Thomas
Director-General
 October 2017

COMPLIANCE STATEMENT

The Transport Canberra and City Services (TCCS) Annual Report must comply with the 2017 Annual Report Directions (the Directions). The Directions are found at the ACT Legislation Register: www.legislation.act.gov.au.

The Compliance Statement indicates the subsections, under the five parts of the Directions, which are applicable to TCCS and the location of information that satisfies these requirements.

Part 1 - Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of annual reports. The TCCS Annual Report complies with all subsections of Part 1 under the Directions.

In compliance with Section 13 Feedback, contact details for TCCS are provided within the TCCS Annual Report to provide readers with the opportunity to provide feedback.

Part 2 - Agency Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all directorates and TCCS complies with all subsections. The information that satisfies the requirements of Part 2 is found in the TCCS Annual Report as follows:

- > A. Transmittal Certificate, see page 3;
- > B. Organisation Overview and Performance, inclusive of all subsections, see pages 5-64;
- > C. Financial Management, inclusive of all subsections, see pages 65-300.

Part 3 - Reporting by Exception

TCCS had nil information to report by exception under Part 3 of the Directions for the 2016-17 reporting period.

Part 4 - Directorate Specific Annual Report Requirements

The following subsections of Part 4 of the Directions are applicable to TCCS:

- > J. Public Land Management Plans, see pages 301-302; and
- > M. Waste Minimisation Contraventions, nil information to report.

Part 5 - Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to TCCS. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Service (ACTPS) directorates, as follows:

- > N. Community Engagement and Support - see the 2016-17 Annual Report of the Chief Minister, Treasury and Economic Development Directorate;
- > O. Justice and Community Safety, including all subsections O.1-O.4 - see the 2016-17 Annual Report of the Justice and Community Safety Directorate;
- > P. Public Sector Standards and Workforce Profile, including all subsections P.1-P.3 - see the 2016-17 State of the Service Report; and
- > Q. Territory Records - see the 2016-17 Annual Report of the Chief Minister, Treasury and Economic Development Directorate.

ACTPS Directorate Annual Reports are found at the following web address:
http://www.cmd.act.gov.au/open_government/report/annual_reports.

SECTION B

SECTION B -
ORGANISATION
OVERVIEW AND
PERFORMANCE

B.1 - ORGANISATION OVERVIEW

OUR VISION

Our vision in 2016-17 has a focus on innovation and customer service. This has been captured with the following vision statement:

‘Recognised for continuously finding better ways to deliver our services’

OUR MISSION

The TCCS mission is:

‘Connected services for the people of Canberra’

This is done through four objectives:

- > Objective 1 – Improve business performance;
- > Objective 2 – Support economic growth and diversification;
- > Objective 3 – Contribute to a sustainable city; and
- > Objective 4 – Improve liveability and social inclusion.

OUR ROLE, FUNCTIONS AND SERVICES

TCCS’s purpose is to help people move around Canberra and to provide high quality city services to the community. These services are delivered with a focus on the customer and work towards the ACT Government objective to be a progressive city.

TCCS is a diverse directorate responsible for the Territory’s roads, bridges, footpaths and cycleways, traffic management, city amenity, active travel and the public transport network (ACTION buses and the light rail project) as well as the management of urban trees, public open spaces, domestic animal services, animal welfare and other licensing and compliance services including ranger services and permits for public land use.

TCCS delivers essential services Canberrans rely on each day including public libraries, the collection of recycling and waste, infrastructure maintenance and management of the Territory’s assets including recreational facilities, local shops amenity, playground equipment, and general upkeep of the city.

On 19 December 2016, the responsibility of waste policy transferred to TCCS from the Environment Planning and Sustainable Development Directorate under the *Administrative Arrangements 2016* (Notifiable instrument NI2016-693).

Through the provision of these core services and an integrated transport network, TCCS ensures Canberra remains a great place to live, work and relax.

TCCS manages a number of ACT Government businesses such as Capital Linen Service and the Yarralumla Nursery and provides administrative oversight to the ACT Public Cemeteries Authority which operates the Woden, Gungahlin and Hall cemeteries.

OUR VALUES

The TCCS values are:

- > Safety:
 - We care about the safety of our people and our community.
 - We consider safety in everything we do.
 - We address risks and make changes to help us work safer and smarter.
- > Excellence:
 - We actively seek opportunities to build our skills and improve our customer service.
 - We learn from our mistakes and make the changes needed for future success.
 - We demand more of ourselves.
- > Collaboration:
 - We work openly and share appropriate information to reach shared goals.
 - We actively seek out other views when solving problems and value and act on feedback on how we can do things better.
- > Respect:
 - We take pride in our work.
 - We value and acknowledge the contribution of others.
 - We relate to colleagues and customers in a fair, decent, caring and professional manner.
- > Innovation:
 - We look for ways to continuously improve our services and skills.
 - We are open to change and new ideas from all sources.
- > Integrity:
 - We do what we say we'll do and respond appropriately, especially when the unexpected occurs.
 - We take responsibility and are accountable for our decisions and actions.
 - We engage genuinely with the community, and manage the resources entrusted to us honestly and responsibly.

OUR CLIENTS AND STAKEHOLDERS

Establishing and maintaining relationships with a wide range of stakeholders is essential to realising the TCCS mission. Our stakeholders include:

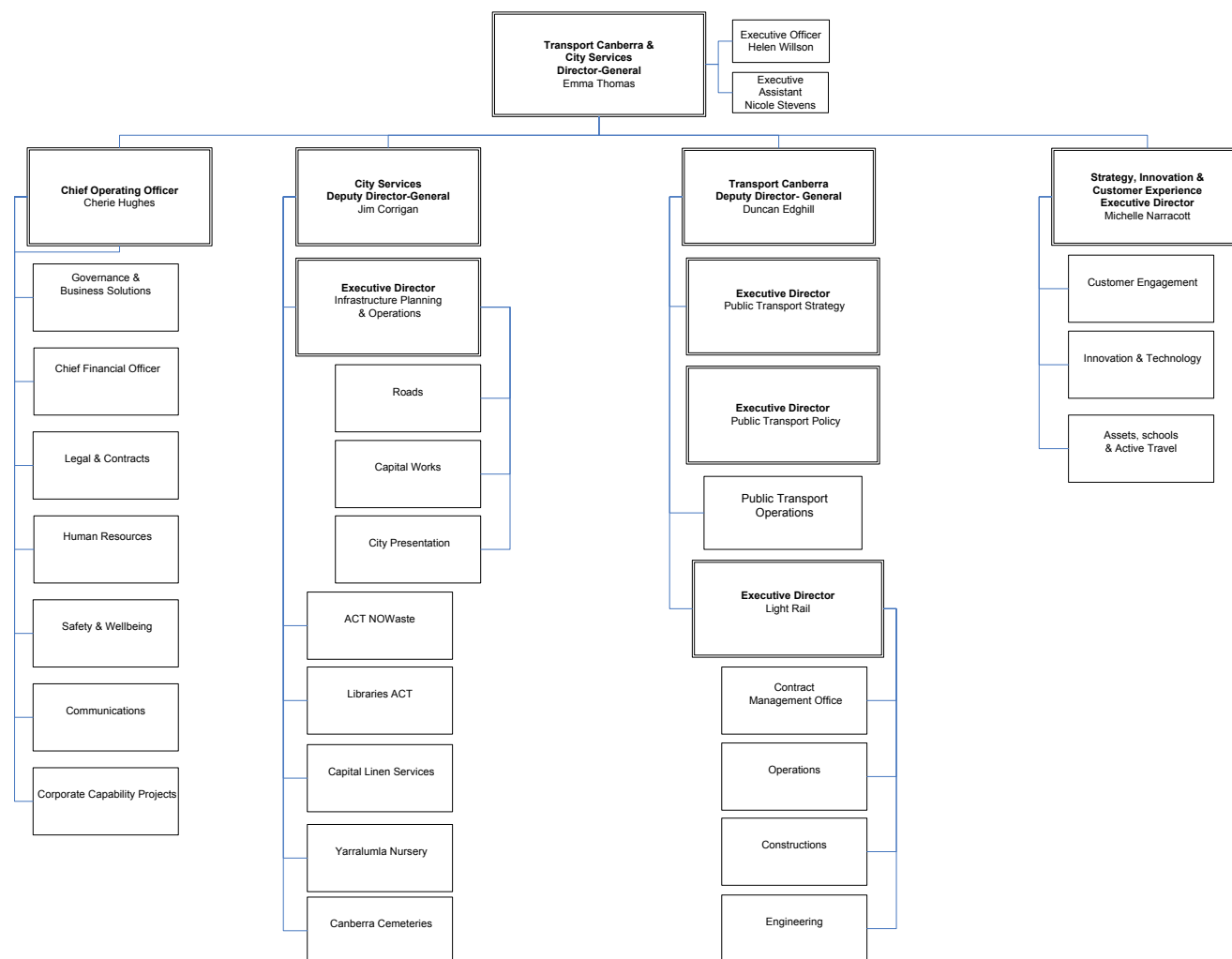
- > ACT Legislative Assembly and members;
- > ACT and Commonwealth Government agencies;
- > ACT residents and visitors to the ACT;
- > ACT businesses, community organisations, peak representative groups, professional bodies and unions; and
- > suppliers and contractors.

ORGANISATIONAL STRUCTURE

As at 30 June 2017, TCCS operated under four divisions:

- > Transport Canberra Division, headed by Duncan Edghill;
- > City Services Division, headed by Jim Corrigan;
- > Chief Operating Officer Group, headed by Cherie Hughes; and
- > Strategy, Innovation and Customer Experience Division, headed by Michelle Narracott.

FIGURE 1: TCCS ORGANISATIONAL STRUCTURE AS AT 30 JUNE 2017



The responsibilities of the TCCS Executives as at 30 June 2017 included:

Transport Canberra and City Services

Director-General – Emma Thomas

The Director-General was responsible for the strategic direction and the efficient administration of TCCS and was accountable for road operations, capital works delivery, city maintenance and services, ACT NOWaste, Yarralumla Nursery, Canberra cemeteries, Capital Linen Service and Libraries ACT. The Director-General was also a member of the ACTPS Strategic Board that provides whole of government leadership for the ACTPS.

Transport Canberra Division

Deputy Director-General – Duncan Edghill

The Deputy Director-General, Transport Canberra was responsible for providing a convenient, reliable and efficient

transport system for Canberra. Transport Canberra ensures Canberra has an integrated transport network with buses and light rail and with other forms of transport including taxis, cycling, and walking to ensure that transport will be accessible for all Canberrans. The Deputy Director-General was also tasked with increasing public transport patronage.

City Services Division

Deputy Director-General – Jim Corrigan

The Deputy Director-General, City Services was 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 Deputy Director-General also managed the municipal services provision for TCCS such as urban rangers, public libraries, cemeteries and waste management. Yarralumla Nursery and Capital Linen Services also reported to this position.

Chief Operating Officer Group

Chief Operating Officer – Cherie Hughes

The Chief Operating Officer was responsible for ensuring the efficient operations of TCCS through provision of the directorate's enabling services that supported the strategic and operational needs of the directorate. This included financial management, procurement, legal services, communications, human resource management, work health and safety, governance, information technology, support to the Minister's Office and participation in whole of government activities.

Strategy, Innovation and Customer Experience Division

Executive Director – Michelle Narracott

The Executive Director, Strategy Innovation and Customer Experience was responsible for promoting asset acceptance, active travel and schools co-ordination, whole of directorate research into emerging technologies, innovation trials, customer experience and engagement including surveys, complaint and compliment management.

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 in the ACT Government. Further information can be found at: www.remunerationtribunal.act.gov.au.

PLANNING FRAMEWORK

Governance Framework

TCCS ensured that its strategic direction and priorities were aligned to whole of government priorities. TCCS set a systematic approach to business planning and the subsequent monitoring and reporting of the directorate's performance. Directorate strategic objectives, government priorities and the ACT Budget inform the development of annual TCCS business plans.

The *TCCS Governance Manual* provided a framework to unify the ACT's public transport and city services into a streamlined directorate to best serve the community. Central to the governance arrangements is effective management and accountability within TCCS to make informed decisions with a customer focus.

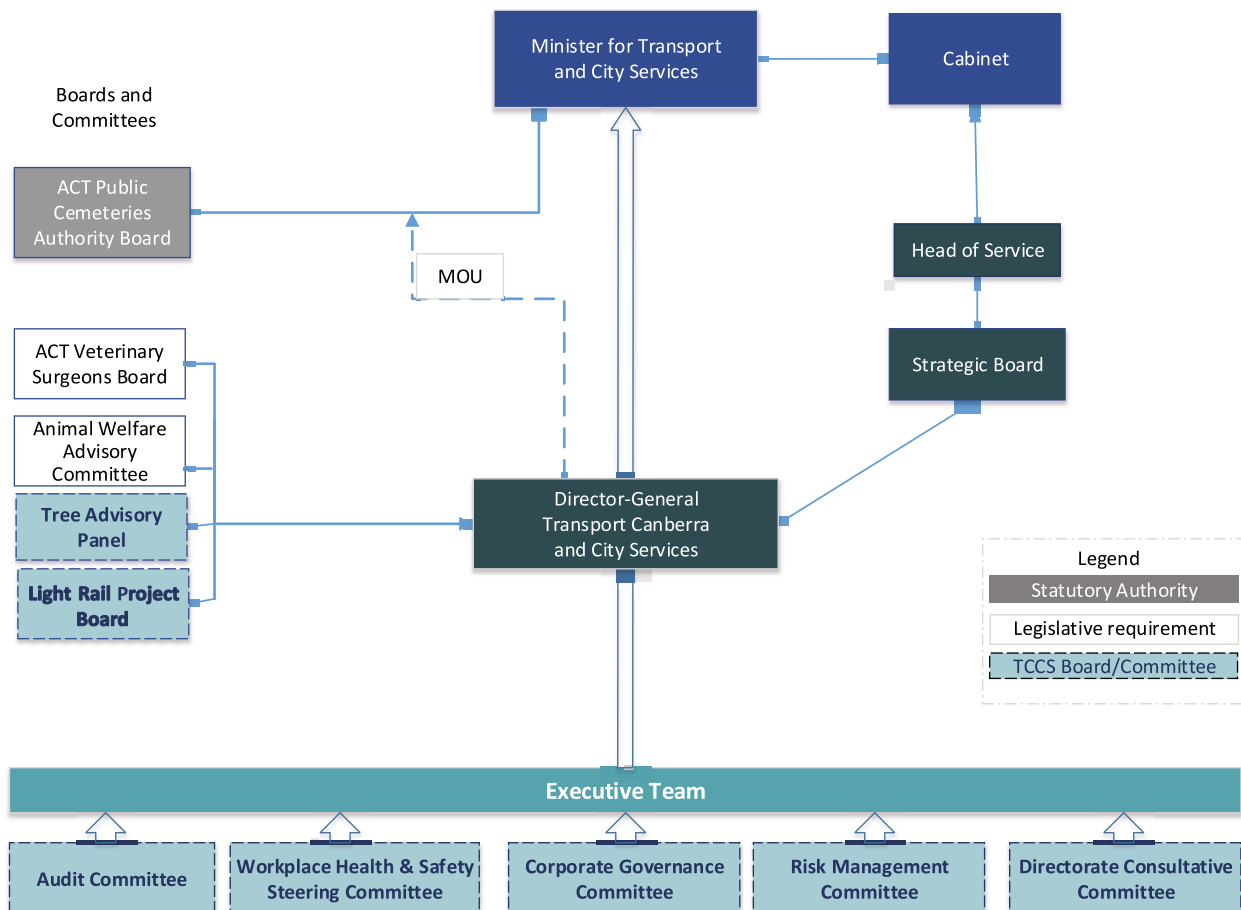
TCCS has adopted the following six governance principles to support decision making:

- > accountability;
- > transparency and openness;
- > integrity;
- > leadership;
- > empowerment and delegation; and

> effectiveness and efficiency.

All TCCS management and employees (including temporary employees, contractors, contingent labour and volunteers) play a major role, and retain responsibility, in ensuring good governance practices occur within TCCS. The governance structure is shown below.

FIGURE 2: TCCS GOVERNANCE STRUCTURE¹



Please refer to *Organisational Structure* pp 12 for a more detailed explanation of the role and responsibilities of the TCCS Executive and *Internal Accountability* pp 18 for further detail on TCCS committees.

Performance Framework

TCCS adheres to the ACTPS Performance Framework (Performance Framework) which sets out the objectives for performance management and development of ACTPS employees.

TCCS endorses the Performance Framework and commits to providing regular and effective performance feedback to employees that identify development needs and opportunities in line with broader business objectives.

The Director-General is responsible for ensuring all employees have a performance plan in place that is linked to the achievement of their team business unit goals and TCCS's objectives and is reviewed bi-annually. For executives, these agreements are formalised through their executive contracts.

¹ Transport Canberra and City Services Governance Manual, p. 10.

ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING

TCCS Reconciliation Action Plan (RAP)

In support of the ACT Government's commitment to reconciliation outlined in the Aboriginal and Torres Strait Islander Agreement (the Agreement), TCCS launched its first RAP in September 2016.

The RAP outlines practical strategies relating to our employment and retention of Aboriginal and Torres Strait Islander peoples as well as activities to support education and awareness of Aboriginal and Torres Strait Islander cultures and history both within our organisation and outward through our work with the community.

The RAP was developed by the RAP Working Group made up of Indigenous and non-Indigenous employees from across TCCS who volunteered to be part of the process. Our RAP was launched on 7 September 2016 at a ceremony in Corroboree Park with representatives of the Aboriginal and Torres Strait Islander community, Reconciliation Australia, Ministers Meegan Fitzharris and Dr Chris Bourke, TCCS Director-General Emma Thomas, and representatives from TCCS and other directorates.

Following the launch of the RAP, a RAP Implementation Working Group was established to drive implementation. Some key achievements so far include:

- > Libraries ACT celebrated International Mother Language Day in February 2017. Activities included Glenn Freeman from Thunderstone Aboriginal Culture and Land Management Services presenting 'Story Time';
- > TCCS recruited three trainees through the whole of government Indigenous Traineeship Program in February 2017. The trainees worked in City Services and the Chief Operating Officer Group;
- > TCCS provided a scholarship opportunity for Aboriginal or Torres Strait Islander employees in TCCS to support career progression. One Indigenous employee was approved for the scholarship in 2017;
- > on 30 May 2017, TCCS launched a Transport Canberra bus wrapped in the TCCS RAP artwork produced by artist Lynnice Keen, a proud Ngunnawal, Wiradjuri and Kamilaroi woman. The artwork titled Mura Yerrabi Nguru (walk the pathway to the camp), tells a story of connection for individuals, families and communities, representing the TCCS mission to deliver connected services for the people of Canberra;
- > Libraries ACT, on behalf of the TCCS RAP Implementation Group, invited respected author, academic and social commentator Dr Anita Heiss to deliver a free public talk during National Reconciliation Week, on 2 June 2017. Dr Heiss is a Wiradjuri woman with strong connections to Canberra; and
- > continued delivery of mandatory Aboriginal and Torres Strait Islander Cultural Awareness training for senior officers and executives. 89.8 per cent of the cohort of senior officers and executives as at end June 2017 have attended or are scheduled to attend the training.



TCCS Diversity Employment Strategies

TCCS acknowledges the benefits associated with a diverse workforce such as the expertise and insight that Aboriginal and Torres Strait Islander people can provide to government policies, their communities and the public more widely.

TCCS is implementing a range of diversity employment strategies to reach the targets set by the Head of Service for the employment of Aboriginal and Torres Strait Islander peoples.

The strategies focus on four key areas including leadership and planning, attracting and recruiting a diverse workforce, developing and retaining a diverse workforce, and improving workforce diversity data.

Some of these strategies were put forward by the RAP Working Group for inclusion in the RAP.

TCCS has increased the headcount for Aboriginal and Torres Strait Islander employees from 26 in July 2017 to 39 as at 30 June 2017, exceeding the 2016-17 target by six.

Aboriginal and Torres Strait Islander Community Bus Program

Commencing in 2014, the purpose of the Aboriginal and Torres Strait Islander Community Bus Program (the bus program) was to provide on-demand transport to vulnerable Aboriginal and Torres Strait Islander peoples who could not access regular public transport options and who were at risk of social exclusion.

The bus program, which utilised two minibuses, was established as a key recommendation of a study commissioned by the ACT Government in 2012 into the transport needs of the local Aboriginal and Torres Strait Islander community. Since its establishment, the bus program has become a significant resource for the local indigenous community, especially individuals identified as vulnerable and who lack accessibility to regular transport.

Members of the community who utilised the bus program included elders groups, juvenile and justice support groups, family groups, individuals accessing medical appointments and those who wished to attend significant cultural events including interstate funerals, and social and sporting events (both locally and interstate). During the reporting period, the bus program had a total of 5,430 boardings.

The bus program operated in line with the Aboriginal and Torres Strait Islander Community Bus guidelines. Governance and accountability clauses in the guidelines provide opportunities for the buses to be used for community work by volunteers outside business hours. In such cases, the buses are normally used to travel to social/cultural events, sporting activities and funerals. In the reporting period the buses were used on 64 occasions under these guidelines.

Community Engagement Programs and Activities

Tracks to Reconciliation

Libraries ACT participated in the annual *Tracks to Reconciliation* program organised by the Child and Family Centres during National Reconciliation Week. Program activities included story time, craft, and games with the aim to bring together Indigenous and non-Indigenous families, to create a more cohesive and connected community to support Aboriginal and Torres Strait Islander families in Canberra.

Deadly Digital

Libraries ACT and the West Belconnen Child and Family Centre, developed programs for Koori Kids (8-12 years) and Koori Leadership (12+) groups in the area. Sessions introduced younger kids to some of the library's eResources (e.g. Literacy Planet, Tumblebooks, Britannica Kids) and makerspace technologies (e.g. coding games, electronics). Older kids were introduced to activities such as 3D printing and digital storytelling to share their own stories.

50th anniversary of the 1967 Referendum

2017 sees the 50th anniversary of the 1967 National Referendum in which the Australian people voted overwhelmingly to include Aboriginal people in the Australian Federal Census.

To commemorate this occasion, Libraries ACT organised the following events:

- > the ACT Heritage Library, with Archives ACT, hosted a Heritage Week speech by Minister Rachel Stephen-Smith at Turner Primary school on 5 May 2017;
- > an online exhibition called Right Wrongs, Write Yes, a joint project of National and State Libraries Australasia, ABC Open, and the Australian Institute of Aboriginal and Torres Strait Islander Studies. The exhibition explored personal stories, opinions and historical recordings of what happened during the 1967 National Referendum; and
- > profiles and standing orders reviewed to ensure they include material created by and about Aboriginal and Torres Strait Islander peoples. This means titles are provided to the library as they are published and include titles from:
 - Aboriginal Studies Press (the publishing arm of the Australian Institute of Aboriginal and Torres Strait Islander Studies);
 - Magabala Books (a leading Indigenous publisher);
 - IAD Press (the publishing arm of the Institute for Aboriginal Development, a not-for-profit Aboriginal community controlled organisation); and
 - digital material available via BorrowBox and includes eBook titles from Aboriginal Studies Press.

INTERNAL ACCOUNTABILITY

Refer to page 8 for the TCCS organisational chart for the names of the TCCS Executive team and a brief description of their roles within the organisation.

Light Rail Project Board

The Light Rail Project Board (LRPB) was an advisory board governed by the *Light Rail Project Board Charter*. It focused on high-level strategic decisions for the light rail project.

Throughout the reporting period, the LRPB met once a month with secretariat services provided by the TCCS Governance and Business Solutions branch. The secretariat acted as the liaison point for requests for assistance from LRPB members.

TABLE 1: LRPB MEMBERS AS AT 30 JUNE 2017

Individual	Role on Board
John Fitzgerald, Independent Chair	Chair
Under Treasurer, Chief Minister, Treasury and Economic Development Directorate	Deputy Chair
Michael Kerry, Independent member	Member
Director-General, Transport Canberra and City Services Directorate	Member
Coordinator-General, Urban Renewal	Member
Coordinator-General, Parking	Member
Deputy Executive Director, Legislation, Policy and Programs, Justice and Community Services Directorate	Member
Deputy Director-General, City Services, Transport Canberra and City Services Directorate	Member

Significant TCCS Committees 2016-17

TABLE 2: TCCS COMMITTEES

Name of Committee	Role of Committee
Corporate Governance Committee	Responsible for the effective implementation, monitoring and reporting of all corporate governance activities and requirements for the directorate.
Audit Committee	Responsible for the management of TCCS's audit program and activities. The services of external audit consultants are procured from the whole of government panel to undertake audits across the directorate, report results and make recommendations directly to the Audit Committee.
Risk Management Committee	Oversaw the identification, management and assessment of risks within TCCS and reported to the executive and the Internal Audit Committee on key risks.
Workplace Health and Safety Steering Committee	The peak health and safety committee within TCCS.
TCCS Consultative Committee	Provided a forum for consultation between TCCS employees and unions.
Finance Committee	Provided a strategic coordination role and facilitated executive decisions and recommendations.

Refer to Annexure 1 for details relating to the ACT Veterinary Surgeons Board.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.

HIGHLIGHTS FOR 2016-17

In 2016-17, TCCS achieved significant milestones across a wide range of services for the ACT community. Some of the highlights that helped Canberrans move around the city and provided them with efficient and high quality city services are outlined below:

Transport Canberra

- > Introduced a new, Australian first partnership with Uber on Christmas/New Year Nightrider services.
- > Introduction of a bus service between the airport and the city.
- > Construction activities progressed on schedule for Light Rail Stage 1 with the completion of the depot site earthworks in May 2017 and the commencement of structural works for the control centre and maintenance facility in June 2017. In May 2017, the track slab installation commenced with over one kilometre of track slab laid along Flemington Road, followed by the commencement of test track laying in late June 2017.
- > Scoping work commenced on Light Rail Stage 2 which included a six week public engagement and consultation program to gain feedback on potential routes.
- > Bike racks have been installed on 92 per cent of buses. Data collected from May 2016-July 2017 showed that bike racks were used at an average of over 1,800 times per month.
- > There was a trial of a 'Weston Line' express bus service from Weston to the City. The success of the service in combination with the growth in the Molonglo region, has resulted in a commitment to increase the frequency of this service in 2018.
- > In recognition of National Reconciliation Week, TCCS launched a Transport Canberra bus wrapped in the TCCS RAP artwork produced by artist Lynnice Keen, a proud Ngunnawal, Wiradjuri and Kamilaroi woman. The bus will tour the ACT for a period of 12 months.
- > Commenced a trial of free off peak travel for concession card holders.
- > Introduction of free city-loop service.
- > Introduction of new buses with the blue TCCS livery.

City Services

- > A residential green waste pilot program, covering Weston Creek and Kambah, commenced in March 2017 and will run to 30 June 2018 where it will be reviewed with the lessons learnt informing a city-wide rollout in future years. Eligible residents received a 240 litre mobile garbage bin with a lime coloured lid. As at 30 June 2017, approximately 7,400 registrations in the pilot area had been received.
- > Work was carried out on designing a Container Deposit Scheme for introduction across the ACT in early 2018. The scheme obliges beverage suppliers to take greater responsibility for packaging after it has been sold and is an effective and popular means of reducing litter and encouraging community participation in recycling.
- > TCCS worked with major retailers to assist in the activation of containment systems to help reduce the prevalence of abandoned shopping trolleys on public land.
- > Barton Highway roundabout provides an additional lane on the approaches and through the roundabout in addition to signalisation of the intersection of Barton Highway / Gundaroo Drive / William Slim Drive intersection. The intersection was opened to traffic in late December 2016. This project also provided a new shared path bridge over the Ginninderra Creek on the Barton Highway city-bound approach to the intersection. The project was completed in March 2017.
- > Design and consultation of age-friendly active travel improvement for the priority suburbs of Ainslie, Weston, Monash and Kaleen were completed in the second half of 2016. Construction of priority works from these designs across the four suburbs were completed in June 2017.

- > Hindmarsh Drive intersection upgrades including the construction and signalisation of Hindmarsh Drive intersections with Tuggeranong Parkway off ramp, Launceston Street and Eggleston Crescent, alleviating congestion along Hindmarsh Drive particularly during peak periods.
- > All three stages of works on Sullivan's Creek path upgrades were completed including the installation of five new zebra crossings, additional directional signage, and widening of the shared path widened.
- > Work has further progressed on the first stage to duplicate Gundaroo Drive between Gungahlin Drive and Mirrabai Drive with noise walls, earthworks, stormwater kerbs and the new bridge nearing completion.
- > TCCS celebrated its 200th significant tree listed on the ACT Tree Register in early 2017. The ACT Tree Register identifies and protects trees, or groups of trees, that are significant to Canberra and seeks to preserve the iconic trees that help make Canberra beautiful.
- > Over 1,370 street trees were planted in the ACT as part of the TCCS tree planting program.
- > During the 2016-17 financial year, the major storms of July 2016, October 2016 and January 2017 inflicted widespread and significant damage across Canberra's urban forest. TCCS responded quickly and effectively to ensure safety issues were addressed as a matter of priority. A significant achievement emerging from responding to these events was the effective collaboration between numerous sections of TCCS to ensure that Government resources were utilised in the most efficient and effective way possible.



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ANNUAL REPORT 2016-17 HIGHLIGHTS



1,882

PEOPLE EMPLOYED
ACROSS THE DIRECTORATE

82%

OF CANBERRA IS SATISFIED
WITH OUR SERVICES



89.8%

OF SENIOR STAFF HAVE BEEN
TRAINED IN CULTURAL AWARENESS
AS PART OF OUR RAP

200%

INCREASE IN RECYCLED
PAPER AND CARDBOARD



3,122km's

OF ROADS MAINTAINED
ACROSS THE ACT

5,035

PLANTS HANDED OUT
FROM YARRALUMLA AS PART
OF THE WALTER BURLEY GRIFFIN PLAN



AGENCY OUTLOOK

During 2017-18 TCCS will continue to find innovative ways to improve how we deliver services to the Canberra community. The focus will remain on providing connected services for the people of Canberra. Just a few of the activities we have planned for 2017-18 are:

- > progressing towards an integrated light rail and bus public transport network;
- > planning for Stage 2 of light rail from Woden to the City via the Parliamentary Triangle;
- > expansion of the Rapid Bus Network to include new rapid services including the Green and Black Rapids;
- > implementing an integrated ticketing system for use on both light rail and buses;
- > commencement of a trial of electric and hybrid buses;
- > commencing construction of the second stage of the Gundaroo Drive duplication including an additional lane on Mirrabai Drive to improve traffic flows;
- > continuing to develop and upgrade community sportsgrounds, recreational, and playground facilities;
- > designing and constructing improvements at various town centres around Canberra;
- > providing essential city services to new communities across Canberra;
- > continuing the Free City Loop bus service;
- > introducing a Container Deposit Scheme to increase recycling rates;
- > continuing the existing bulky waste collection service to eligible residents and preparing for the territory wide rollout of the service;
- > continuing the trial green waste collection service with a view to rollout green bins throughout Canberra by 2020; and
- > implementing the Better Suburbs Initiative to remove decommissioned assets, undertake additional weed control, improve the amenity of major entrance roads to the city and take a strategic approach to improving the delivery of municipal services.

Strategic and operational priorities to be pursued in 2017-18 include:

- > ongoing delivery of Light Rail Stage 1 and planning the development of Stage 2;
- > encouraging greater awareness and usage of active travel options;
- > pursuing bikeshare opportunities;
- > supporting and adopting whole of government initiatives;
- > increasing public transport patronage;
- > providing a clean, safe and tidy public realm;
- > increasing awareness of safety within our workforce and supporting them with a Quality Safety Management System; and
- > increasing customer satisfaction with our service delivery.

From 1 July 2017, TCCS will accept responsibility for:

- > Sports and recreation facilities from the Chief Minister, Treasury and Economic Development Directorate; and
- > the Transport Policy team from the Environment, Planning and Sustainable Development Directorate.

B.2 - PERFORMANCE ANALYSIS

Within TCCS, ACTION has been incorporated into the Transport Canberra Division.

The strategic priorities for 2016-17 included:

Strategic Objective 1: Improve customer experience with public transport and drive an increase in patronage

TCCS has a strategic objective of improving the customer experience of public transport and attracting new customers through high quality, friendly and reliable services. The directorate will pursue targeted investment and business reform to improve the overall performance of the business.

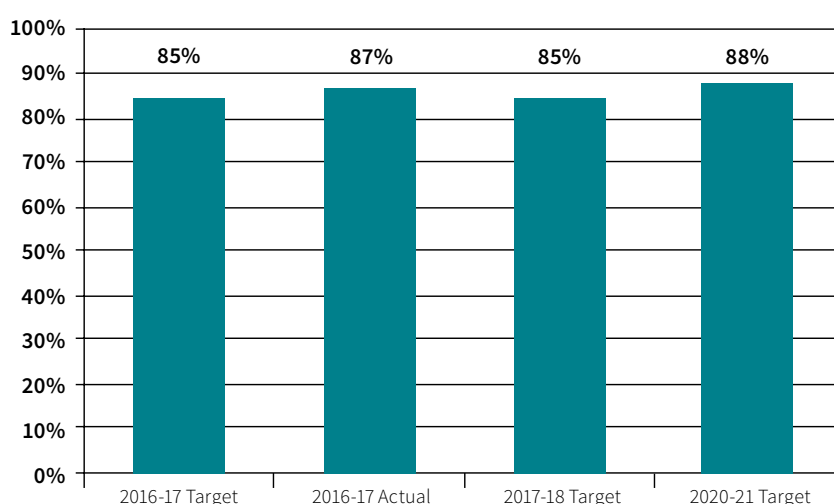
The reader should note that all long term targets and accountability indicators will be adjusted following the introduction of light rail.

Strategic Indicator 1.1: Customer satisfaction

Create a customer-centric culture that enables the strategic aspiration of being a leader in customer service by rewarding and encouraging positive customer-orientated behaviour:

- > deliver customer service training for all frontline staff;
- > develop a rewards and recognition program for strong performers;
- > establish draft customer experience Key Performance Indicators for introduction across all levels of Transport Canberra; and
- > conduct a comprehensive research piece on the current state and future expectations of transport options in the Territory, including travel purpose, mode choice, and factors that contribute to changes in travel behaviour and travel patterns.

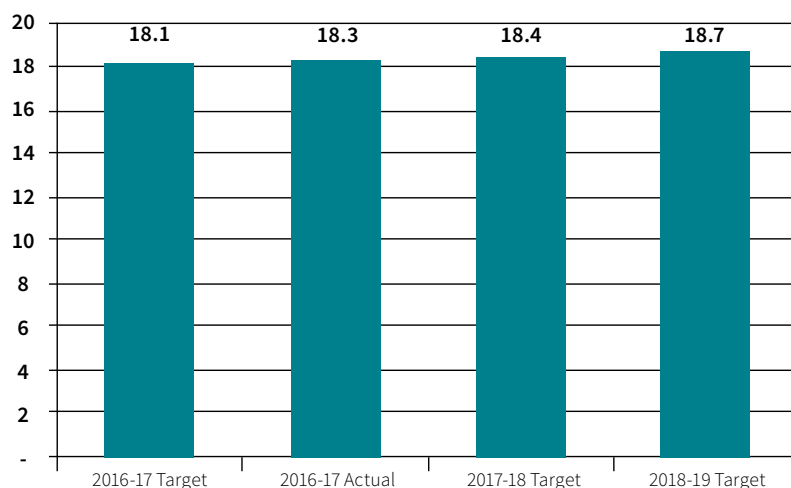
FIGURE 3: CUSTOMER SATISFACTION RESULTS AND TARGETS



Strategic Indicator 1.2: Patronage

TCCS has an objective of increasing patronage of public transport as part of achieving *Transport for Canberra – Transport for a sustainable city 2012-2031*. To support this patronage growth objective, the directorate has a target of continuing to increase bus patronage.

FIGURE 4: PATRONAGE RESULTS AND TARGETS



Strategic Indicator 1.3: Service reliability

Public transport customers place a high importance on the reliability of public transport services. Customers need to be able to rely on their services arriving on time. This is a key element towards supporting customer satisfaction and providing a service that users of public transport will recommend to non-users.

Service reliability is measured through two key ACTION accountability indicators:

- > services operated to completion – a measure of whether the bus arrives and completes its scheduled service; and
- > on-time running – a measure of whether the bus leaves between 1 minute early and 4 minutes late from the scheduled timetable.

TCCS has a five year target of services operated to completion of 99.6 per cent and on-time running of 85 per cent. While there are a number of factors that affect reliability, the condition of the bus fleet is a key factor. Achieving the directorate's targets will require targeted and ongoing investment in elements such as the bus fleet replacement strategy and the asset management strategy.

FIGURE 5: SERVICES OPERATED TO COMPLETION

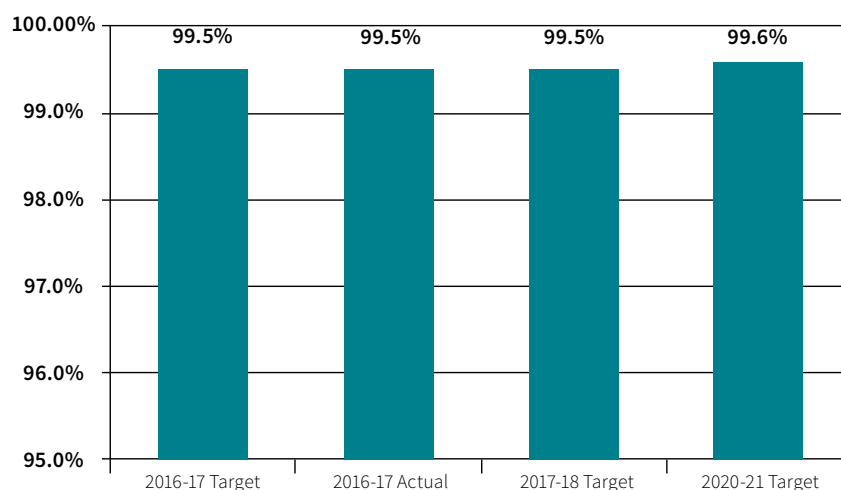
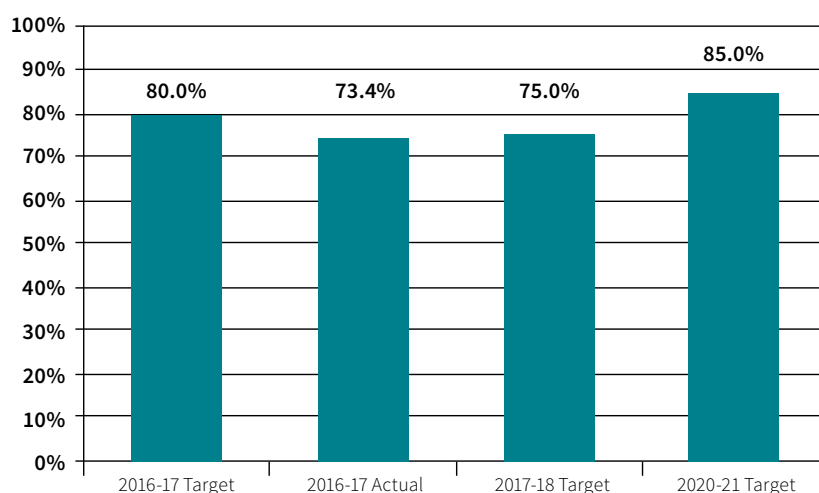


FIGURE 6: ON-TIME RUNNING



Strategic Objective 2: Improve the efficiency of public transport

TCCS has a strategic objective of improving the efficiency of public transport as part of ensuring that the community receives the value from the investment required to run bus and light rail services. This has two key elements:

- > improving the efficiency of bus operations; and
- > generating revenue through well targeted fare structures and increasing market share.

The reader should note that all long term targets and accountability indicators will be adjusted following the introduction of light rail.

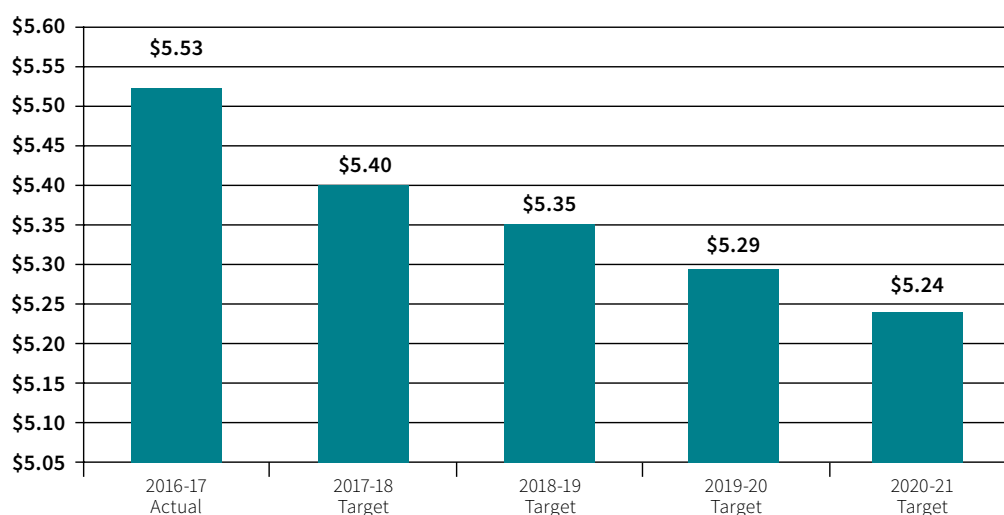
Strategic Indicator 2.1: Operating efficiency

Operating efficiency is a straightforward measure of the cost of providing bus services. The key accountability indicator for this is the bus network operating cost per network kilometre.

TCCS will develop a comprehensive asset management strategy, with a key deliverable for 2016-17 being the introduction of a fleet strategy to guide efforts to improve overall operating efficiency and achieve strong customer outcomes.

TCCS has a five year goal of reducing operating costs per network kilometre by five per cent from current levels. This is an improvement in operating efficiency of more than five per cent after taking into account CPI growth, and will depend on the completion of key efficiency measures such as the construction of a bus depot in Woden.

FIGURE 7: BUS NETWORK OPERATING COSTS PER NETWORK KILOMETRE

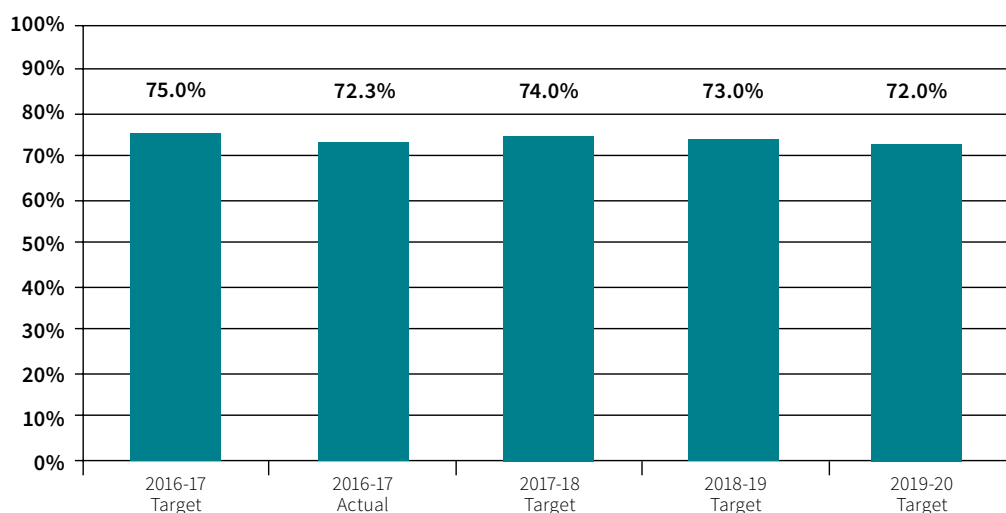


Strategic Indicator 2.2: Business performance

Business performance is a comparison between the amount of revenue generated by the business and the cost of running the business. TCCS will introduce a long term business strategy for public transport that will progress organisational reform and provide a pathway for further service improvement.

The strategic indicator for business performance is the Government subsidy per passenger boarding, a measure that captures the overall financial performance of public transport.

FIGURE 8: GOVERNMENT SUBSIDY PER BUS PASSENGER BOARDING



Strategic Objective 3: Drive innovation and a sense of excitement about public transport

TCCS has a core goal of running an effective public transport network. The directorate will take advantage of emerging trends in technology and deliver an exciting new public transport system.

Light rail is a key milestone for the Territory and will be fully integrated with the bus network. A modern ticketing system across buses and light rail will be a key deliverable for TCCS leading up to the commencement of light rail.

The use of public transport provides significant environmental benefits. TCCS will support the environment through two key deliverables over the coming years: powering light rail by 100 per cent renewable electricity; and trialling electric buses.

Public transport plays an important social role by providing mobility to disadvantaged members of the community. TCCS will work to ensure that its community transport services are effective and well targeted.

Strategic Indicator 3.1: Deliver light rail and integrate light rail with buses

TCCS is responsible for overseeing the construction works of light rail and contributing to the broader urban design work that will make the Gungahlin to the City transport corridor a success.

TCCS will integrate light rail with the bus network to deliver a single ticketing system.

Strategic Indicator 3.2: Reduce public transport related greenhouse gas emissions

Public transport plays an important role in helping meet the ACT's legislated greenhouse gas emissions targets. Light rail will efficiently move large numbers of commuters along the Gungahlin to city corridor. In line with the Government's target of 100 per cent renewable electricity by 2020, light rail will be powered by 100 per cent renewable electricity. The directorate will work to make its fleet of bus vehicles modern and fuel efficient through the ongoing bus replacement program. An electric bus trial will also be undertaken in 2016-17 as part of a longer term vision toward sustainability.

ACTION buses will reduce greenhouse gas emissions through improved fuel efficiency such as reducing dead running and engine idling time. ACTION buses are currently working to develop key performance indicators that will track consumption and emissions.

Strategic Indicator 3.3: Provide high quality services to meet social needs

To meet the needs of disadvantaged members of our community, the directorate provides transport services such as Special Needs Transport and the Flexibus initiative. TCCS also continues to update its bus fleet to provide access to disabled passengers.

A further area of performance includes:

- > customer satisfaction with the services; and
- > the access to mobility services.

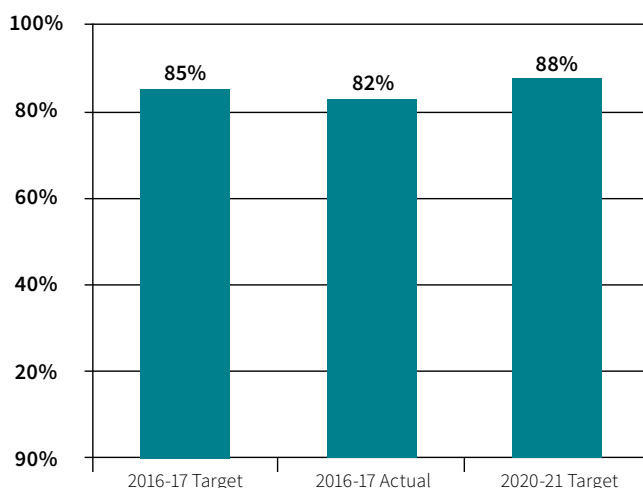
TCCS is collaborating with the community sector to develop a basis for measuring performance for community services from 2017-18 and articulate longer term goals.

Strategic Objective 4: Deliver high quality city services

The Canberra Plan: Towards our Second Century articulates the Government's priorities through seven strategic themes, one of which refers to the delivery of high quality services. One of the directorate's objectives is to ensure that services are consistently of high quality, timely, effective and cost efficient and meets the needs of the community; that the city is well maintained and its assets protected; and that members of the community have the opportunities to participate in the decision making process.

Strategic Indicator 4.1: Customer satisfaction continues to demonstrate improvement

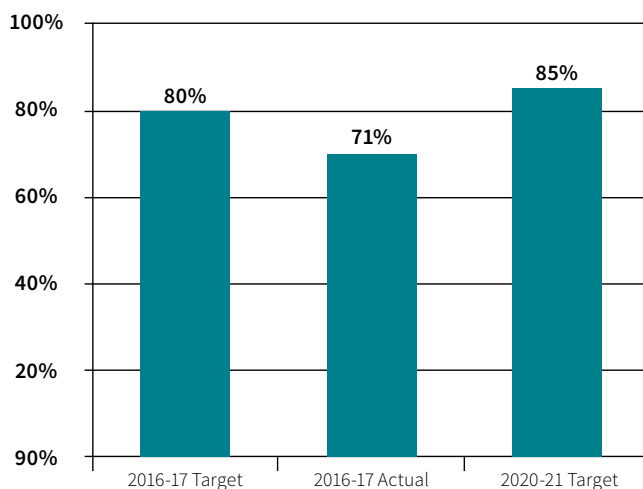
FIGURE 9: CUSTOMER SATISFACTION WITH SERVICES



Overall customer satisfaction with the directorate's services is measured through an annual community survey related to the directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces.

Strategic Indicator 4.2: Satisfaction with community engagement continues to demonstrate improvement

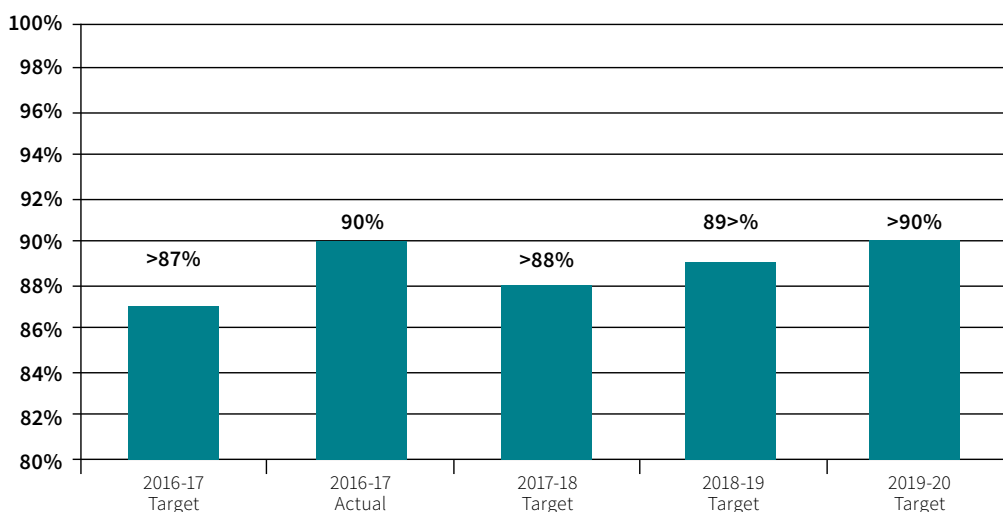
FIGURE 10: CUSTOMER SATISFACTION WITH COMMUNITY ENGAGEMENT



The satisfaction with community engagement is also measured through the annual community survey, which asks the respondents if they have engaged with TCCS on any matter during the last 12 months. For those that responded “yes” are then asked to rate their satisfaction.

Strategic Indicator 4.3: Percentage of territorial roads in good condition

FIGURE 11: PERCENTAGE OF TERRITORIAL ROADS IN GOOD CONDITION



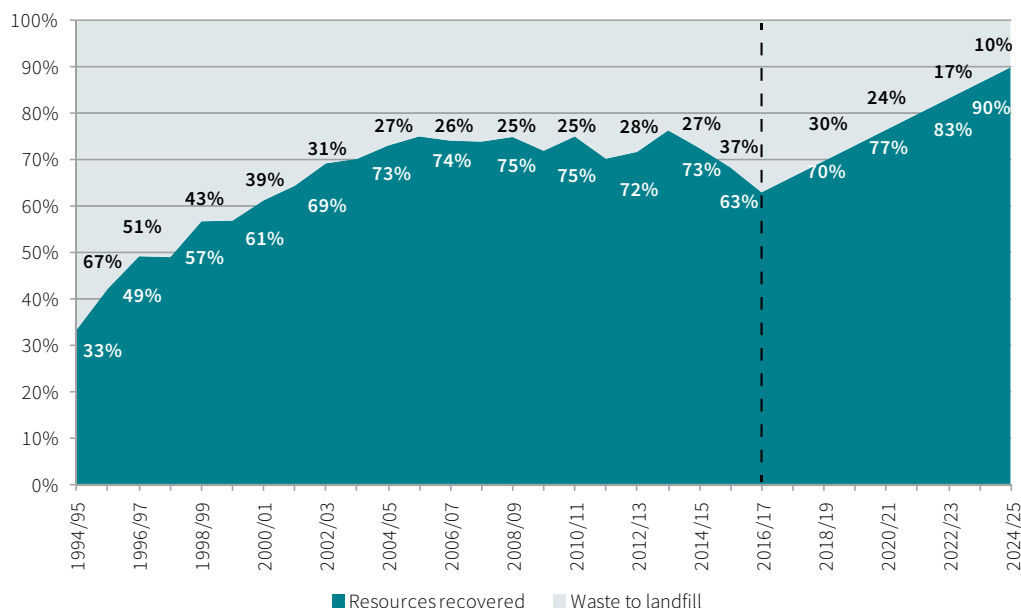
The Directorate maintains over 3,000 kilometres of road network across the Territory. This maintenance program is guided by a Strategic Asset Management Plan which enables a long term view of asset management. This indicator is measured using an industry standard survey that assesses one third of the territorial road network annually.

Strategic Objective 5: A Reduction in Waste to Landfill

A sustainable future is 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; to maintain and protect natural assets; and respond to the challenges of climate change. A reduction in the amount of waste going to landfill is one of the strategic progress indicators towards achieving this objective.

Strategic Indicator 5.1: Reduction in waste to landfill as a proportion of the total waste stream

FIGURE 12: WASTE TO LANDFILL AS A PROPORTION OF THE TOTAL WASTE STREAM



This indicator is calculated using weighbridge data of waste to landfill, and data provided by local ACT resource recovery and recycling industries. The waste to landfill and resource recovery data is combined to provide a total waste generation level.

A feasibility study is underway to investigate future waste management strategies, including facilities and operating models to increase the level of recycling in the Territory in order to continue to reduce the proportion of waste going to landfill.

Note that the actual and projections do not include the impact of increased tonnage going to landfill as a result of the Mr Fluffy asbestos demolition program. The projections are showing the intention to reach 90 per cent resource recovery by 2025.

Output Class 1: Transport Canberra

Output 1.1: Transport Canberra

During its first year of operation, Transport Canberra achieved a number of significant ‘firsts’. Progress was made with construction of the first stage of light rail from Gungahlin to the City and it is on schedule to start operating in late 2018. The timely delivery and positive impact on public transport of the light rail project will lay the foundation for ongoing improvement in Canberra’s already high standard of liveability.

In parallel, performance of the Transport Canberra bus network has also improved within the reporting period. In 2016-17 the key indicator of performance, patronage, is the highest on record and exceeded the ACT Government’s 2016-17 goal of 18.1 million passenger boardings by approximately 195,000; a single-year increase from 2015-16 of more than 450,000 and reversed a trend from prior years of underachievement against patronage goals.

The target for service reliability was exceeded, recording a result of 99.53 per cent of total services delivered for the year against a target of 99.5 per cent. This reflects a sustained improvement in the second half of 2016-17. At the same time, Transport Canberra buses also performed strongly on other performance indicators. For example, cost efficiency was better than the goal (after excluding the loss associated with revaluation of buses): the actual cost per kilometre was \$5.33 against a target of \$5.45 – a saving of two per cent for each of the 26,700,829 bus kilometres travelled in 2016-17; the actual cost per passenger was \$7.71 against a target of \$7.92 – a saving of 2.5 per cent for each of the 18,295,834 passengers in 2016-17.

From a service perspective, enhancements included new routes, additional benefits for concession card holders, and increased convenience and environmental performance from the procurement of new buses.

From an organisational perspective, Transport Canberra improved its safety and operational systems, policies, procedures and practices by:

- > promoting a solid understanding of its safety compliance and culture across its multiple worksites and responding by re-energising the safety systems across Transport Canberra to ensure compliance with the *Work, Health and Safety Act 2011*;
- > active involvement in a dual-track approach to safety management by actively promoting a strong supportive safety culture, remediating safety risks and hazards through a structured formal safety governance system that includes ongoing active engagement with its workforce; and
- > updating and applying contemporary business planning, risk and emergency management procedures and practices across Transport Canberra. In parallel, Transport Canberra has assessed the currency and value-add from its framework of policies, procedures and fact sheets to ensure the framework is designed to best support delivery of Transport Canberra outcomes without unnecessary overhead or red-tape. Initial improvements were realised in these areas during 2016-17 and further positive effects will result in 2017-18 as the revised systems and practices are consolidated.

These changes will enable Transport Canberra to better focus on its core objectives of delivering reliable public transport services to the customer as well as continuing to grow patronage levels, best exploit the synergies between buses and light rail, and meet the expectations of the ACT Government.



Light Rail Stage 1

The light rail project progressed significantly through the 2016-17 financial year with over 500 personnel working across all aspects of the project and 800,000 hours having been collectively worked by Canberra Metro, the Independent Certifier, and Transport Canberra at the end of June 2017. Design development has continued with 80 per cent of the designs submitted by Canberra Metro for review by the Transport Canberra Light Rail team and the Independent Certifier as at 30 June 2017.

Construction activities are occurring across the whole alignment of Stage 1. The depot site earthworks at Mitchell were completed and structural works commenced on the control centre and maintenance facility. In May 2017, the track slab installation commenced with over one kilometre of track slab laid along Flemington Road, this was followed by the commencement of test rail laying in late June 2017.

Along the southern section of the alignment, tree removal along Northbourne Avenue was completed allowing for utility relocation/protection activities to commence. The new tree stock is developing well at the Yarralumla Nursery with over 1,000 trees available for Canberra Metro. Intersection closures are underway to facilitate the construction of the track slab and road works which will continue throughout 2017.

Light rail vehicles have been ordered and the first is well into the manufacturing process in Spain, with delivery of this first vehicle to Canberra due in late 2017.

The project continues to recognise the importance of community and business consultation with regular presentations and media updates an important focus of the communications teams within Canberra Metro and TCCS.

Local industry participation targets are on track with 57 per cent of current procurement packages being awarded to local businesses against a target of 50 per cent, with a number of procurement packages still to be awarded. Currently, 77 per cent of the construction workforce is made up from the local area, against a target of 70 per cent.

The project is on schedule for completion in late 2018 with wider public transport integration works underway to ensure seamless operation from day one.

Light Rail Stage 2

Scoping work commenced on Light Rail Stage 2 which included a six week public engagement and consultation program to gain feedback on potential routes, alignment, and locations of public interest along the proposed corridor. Development of the design and business case will continue through the 2017-18 reporting period.

Active Travel

The ACT Government has an ambition to be Australia's most walkable city and cycling capital. With hundreds of kilometres of shared off-road paths in the ACT, a moderate climate, relatively flat terrain, an extensive trail network in our nature parks, and bike riders legally allowed to ride on footpaths, there are endless options for walking and cycling for everyone. Some of TCCS's achievements relating to active travel during the reporting period include:

- > the opening of two Learn to Ride Centres, at Lake Tuggeranong and Lake Ginninderra;
- > widening of the Sullivans Creek shared path;
- > upgrades to the Northbourne Avenue verge;
- > bike racks fitted to 92 per cent of the bus fleet; and
- > the establishment of the Active Travel Office.

Primary responsibilities of the Active Travel Office included:

- > raising the profile and presence of active travel;
- > coordinating policy work across Government programs of work for School Crossing Supervisors, Traffic Management Plans and Active Streets for Schools; and
- > coordinating school traffic safety and support for the Ride or Walk to School Program.

Achievements of the Active Travel Office since establishment include:

- > inaugural Canberra Walk & Ride Week held in March 2017, in conjunction with the use of the ACTiveLog Smartphone app that was designed specifically for the ACT Government, in conjunction with Bicycle Network. Users log activities such as walking, running, and cycling and the data is collected by the ACT Government as well as allowing users to keep track of their own activities, see past history, track improvements and set goals over time. The information collected helps to build a picture of where and how Canberrans walk and ride around our city, and informs future investment in the active travel network.
- > Australia's first Park & Pedal location launched at the Lindsay Pryor National Arboretum car park in February 2017, with stage 2 launched in April 2017 to include:
 - Caswell Drive, Glenloch Interchange;
 - Hackett Shops;
 - Kellaway Street, Hackett; and
 - Palmerville Heritage Park, Evatt; and
- > improved online presence through regular website news feeds and champion profiles, alongside an improved social media presence.



Priorities for 2017-18 include:

- > increasing active travel in the Territory as well as awareness of the associated health benefits;
- > investigation of a possible bike share scheme for the ACT;
- > launch of stage 3 Park & Pedal locations; and
- > Bike Stop program to encourage local businesses to become bike friendly, offering end of trip facilities such as toilets, showers and change rooms, bag storage, water refill and tyre pumps, among other services.

Output Class 2: City Services

Output 2.1: Roads and Infrastructure

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

Road Maintenance and Safety – Road Resealing

Increase in resealing this year:

Roads ACT is responsible for the maintenance of 6,959 lane kilometres or over 23 million square metres of surfaced roads within the ACT. The Federal Government provided additional 'Roads to Recovery' funding, which has been used to increase the annual road resurfacing program. Over one million square metres of resurfacing (398,610 square metres of Territorial road network and 668,058 square metres of the Municipal road network) was carried out in 2016-17.

This additional funding has resulted in 5.3 per cent of the Territorial road network and 4.2 per cent of the Municipal road network being resurfaced in 2016-17, which meets the annual targets of five per cent and four per cent respectively for two successive years. This will assist in maintaining the resurfacing program throughout the territory.

Innovative and eco friendly road resurfacing treatments

In recent years TCCS has adopted innovative treatments to provide a sustainable network.

Low Carbon Asphalt/Reclaimed Asphalt Pavement: these treatments substitute toner cartridge powder and recycled asphalt road pavement for virgin materials in asphalt. It is manufactured using less heating of the material and saves carbon dioxide emission. Last year low carbon asphalt resurfacing was trialled on Kelleway Avenue, Nicholls. This year a section of Parkes Way was resurfaced using Reclaimed Asphalt Pavement.

Rejuvenation: this treatment is a coating on an existing surface to extend the life. This is a preventative treatment for early intervention. It can only be applied on low trafficked municipal roads.

Roads ACT will monitor and assess the site's performance over the next few years.

Heavy Patching rationale

Where large sections of the road surface has degraded beyond the service level of regular preventative maintenance, heavy patching is used to reinstate the road. In this case the underlying pavement layers are exposed, recompacted and hotmix asphalt is applied to the affected area.

Areas that are more susceptible to this treatment include areas frequented by regular heavy vehicles such as along the freight and bus routes. During the 2016-17 financial year 50 sites around the ACT were treated with heavy patching.

Roads ACT Workforce Plan and the Roads ACT Incident Management Plan

The Roads ACT Workforce Plan is in draft form and will be reviewed by TCCS Executive within the next reporting period.

The Roads ACT Incident Management Plan was completed and will be tested in a desktop exercise in the next reporting period following final circulation to TCCS Executive.

Roads ACT Strategic Asset Management Plan

The Roads ACT Strategic Asset Management Plan (SAMP) is being updated to reflect the new draft TCCS Strategic Asset Management Framework (SAMF) and changes to the ISO:55001 Standard for Asset Management. In addition, Roads ACT is changing the format of its SAMP from being a three-year document to a 'live' document that will be reviewed continuously in accordance with a rolling work plan of review and update. Roads ACT is finalising the draft SAMP, with a view to having the new version ready in July 2017.

During the next reporting period, Roads ACT will update its operational plans for major road and road related assets. The purpose of the plans is to define the level of service in relation to specific assets and the policies and issues for their maintenance. The Operational Plan for Community Paths is drafted and currently being reviewed for approval. A new Operational Plan for Roads is being drafted, and the remaining operational plans will be reviewed throughout 2017. It is proposed that operational plans will become 'live' documents and updated continuously in accordance with a rolling work plan of review and update.

Audit of Stormwater Maintenance and Operations

In 2016, a consultant was engaged by TCCS to undertake a performance audit of stormwater operations, maintenance and renewal in the ACT. The report, which included benchmarking operation and maintenance activities with other jurisdictions, was finalised in February 2017 and will inform TCCS future strategic planning in relation to stormwater operations and maintenance.

Sustainability – Improvements to the management and operations of public lighting

The ACT Government owns more than 77,000 lights on streets, footpaths, arterial roads and in various public parks and other open spaces around the ACT. Public lighting is the ACT Government's highest use of electricity (25 per cent) and produces 18 per cent of the government's greenhouse gas emissions. The Carbon Neutral Government Framework noted the importance of energy efficiency upgrades of street lighting.

The ACT Government will finalise a multiple staged procurement process for an Energy Performance Contract in the second half of 2017, which will provide the ongoing operations and maintenance of the Territory's streetlights. The streetlight network will be managed under a fixed term outcome based contract, with expected outcomes for energy efficiency upgrades to LED luminaires, improved maintenance efficiency, and improved data acquisition and control systems with potential smart city applications. Upgrading to LEDs will significantly improve the energy efficiency of our streetlights.

The ACT Government has approached the market for a complete management solution for streetlights, delivering energy efficiency upgrades, as well as a 'backbone' platform for future Smart City options.

Through improved energy efficiency, the Territory will consume less electricity and significantly reduce its greenhouse gas emissions. Upgrading the ACT's streetlights will give us a safer, more sustainable city.

Output 2.2: Library Services

The provision of library services to the community through Libraries ACT's branches, home library service, online, and the Heritage Library.

Libraries ACT was made up of nine public libraries located across Canberra, the Home Library Service and the ACT Heritage Library, as well as a suite of electronic resources known as eResources. In 2016-17, Libraries ACT membership was 65 per cent of the Canberra population.

Libraries ACT 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

TCCS celebrated reading and literacy in all forms, contributing to literacy and language development in the community and economy, and offering access to a collection of 645,000 items in various formats as well as digital collections such as eBooks, eAudio books and digital magazines.

Within the reporting period, Libraries ACT loaned 2,362,795 physical items, as well as 379,970 eBooks, eAudio books, digital magazines, downloaded music, downloaded articles and streamed content. Libraries ACT also coordinated monthly deliveries of books, audio books and other material to 335 members of the community who, for reasons including disability, illness and limited mobility, were unable to access public libraries in person.

Libraries ACT:

- > hosted visits from authors including Peter FitzSimons, Darren Lehmann, and Susanne Gervay;
- > fostered book clubs, loaning book sets to 161 book clubs in Canberra;
- > coordinated events for a visit from Australian Children's Laureate, Leigh Hobbs, who spoke to local school students, families, and local writers and illustrators;
- > partnered with the Canberra Writers' Festival, contributing to planning and promoting the inaugural event and its associated Big Book Club led by ABC Canberra;
- > participated in a range of community events including the ACT Seniors' Expo, ANU Market Day, and the National Multicultural Festival; and
- > linked the library and its resources with programs aligned with national celebrations including Harmony Day and National Science Week.

Lifelong Learning

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

Libraries ACT continued to provide access to learning resources and programs by:

- > delivering 1,860 lifelong learning programs attended by over 64,000 people, including almost 46,390 participants at Giggle and Wiggle and story time;
- > delivering 346 technology training sessions to the community, teaching participants to be smart, safe and responsible citizens in the digital world;
- > continuing to partner with other organisations including the ACT Writers' Centre for a series of writing workshops and other programs, and the Canberra Theatre Centre for programs connected with performances of *Diary of a Wombat* and *We're Going on a Bear Hunt*; and
- > hosted Questacon for their series of Science Time sessions for three-five year olds from July-September 2016.

Digital services

Libraries ACT fostered digital services to develop digital skills, incorporate emerging technologies into the library and provide electronic access and a quality digital user experience. This included providing free access to computers, the internet and Wi-Fi; and maintaining a presence on social media where there were 3,909 Facebook page likes and 3,320 Twitter followers with whom the library shares news, information and ideas. Our library website received 732,442 digital visits.

Following participation in a proof of concept trial for a shared digital preservation system, the migration is underway of the ACT Heritage Library's important images on Images ACT to a new contemporary repository.

A two-year project began to procure and implement a new Integrated Library Management System. The new system will provide better online customer experiences and enable the library to deliver their services more efficiently which will mean more time to assist customers in branches.

Recording ACT's heritage

Libraries ACT took its 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 was delivered through the ACT Heritage Library.

This year 15,251 new items were added to the ACT Heritage Library's collection of publications, archival collections, images, maps and plans and items of interest. Many original materials were acquired by Libraries ACT from many individuals and local organisations including the National Capital Authority and Committee for Self-Government papers, Carmel Maher/No Self-Government party papers, Commonwealth Avenue Bridge construction photographs, Ainslie Tennis Club records, Gale Family/Huntly Property records and the Plummer Pharmacy Kingston.

The ACT Heritage Library provided research and collection support to the Canberra Museum and Gallery, ACT Government directorates and community researchers. It took a coordination role in ensuring the ACT Government meets its eDeposit obligations to the National Library for government publications. It is also responsible for the ACT Memorial database of local returned service men and women.

The ACT Heritage Library represented the ACT in the planning and development of Right Wrongs, a significant online exhibition that is a collaboration of National, State and Territory libraries with the Australian Institute of Aboriginal and Torres Strait Islander Studies and the ABC to commemorate the 50th anniversary of the 1967 National Referendum. Information on this and other Aboriginal and Torres Strait Islander focussed events and activities hosted by Libraries ACT can be found in Section B1 on page 11.



Priorities for 2017-18 include:

- > progress the procurement and implementation of a new Integrated Library Management System; and
- > relocate the ACT Heritage Library to Fyshwick to address its physical and historical risks and capacity issues.

Output 2.3: 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.

This output class relates to the provision and management of a full range of outsourced waste and recycling contracts and service agreements to manage the Territory's waste and deliver essential services to the community of Canberra.

Contract management and service delivery was managed by ACT NOWaste, an operational unit within TCCS, for a number of facilities across the ACT, and included residential kerbside collections. ACT NOWaste designed, commissioned and managed outsourced waste and recycling services with the aim to encompass best practice, respond to community demand, maximise resource recovery and meet budget expectations.

ACT NOWaste assumed responsibility for the introduction of the Waste Act which creates a regulatory environment that seeks to promote and reward responsible practices in waste management and resource recovery. The legislation commences on 1 July 2017 and will support the ACT Government's objective to reduce waste and minimise the volume of material going to landfill.

Waste policy functions transitioned from the Environment, Planning and Sustainable Development Directorate to ACT NOWaste in December 2016 as a result of machinery of government changes. This ensured better integration and alignment of policy and strategy development with the operational management of waste.

Waste and Recycling Services

6.8 million household rubbish and 3.5 million recycling collections were undertaken throughout the reporting period resulting in 34,437 tonnes of material recovered from the waste stream, and 75,445 tonnes of waste sent to landfill.

Recycling drop off centres provided residents and businesses a free service to dispose of excess recycling material with the facilities available at seven locations across the region. This year, the recycling drop off centres collected 5,090 tonnes paper and cardboard of recyclable material, representing an increase of three per cent in comparison to 2015-16.

Other initiatives designed to help our community better understand and improve its recycling and reuse efforts included education tours and presentations delivered by ACT NOWaste education officers at the Material Recycling Facility and landfill facilities at Hume. In 2016-17, 83 tours were delivered with 4,300 participants in attendance. The education team also delivered education and awareness sessions in partnership and participation with community based events such as the 2017 Multicultural Festival, ANU and University of Canberra campus open days, the Canberra Show, World Environment day, and the National Garage Sale Trail.

The mattress recycling initiative continued to grow and has received strong community and industry support resulting in 32,177 mattresses diverted from landfill in 2016-17. The service is a joint initiative between the ACT Government and Soft Landing, a social enterprise and resulted in up to 90 per cent of the material being recycled, for example, steel springs sold to scrap metal, foam on-sold and used for carpet underlay and felt and fabric used to make boxing bags.

TCCS, through ACT NOWaste, continued to deliver the household kerbside bulky waste collection service which provided eligible concession card holders to one free residential bulky waste collection per year. The service is outsourced to the Green Shed who undertook 3,011 collections during 2016-17. This service has been extended for another year where its service design will be reviewed.

The ACT Government continued to support the National Television and Computer Recycling Scheme by providing two drop-off facilities for the community and businesses to recycle their electronic waste (e-waste). A total of 415 tonnes of televisions, computers, printers and computer products were recycled during the year.

Both Paintback and e-waste collection points are located at Mitchell and Mugga Resource Management Centres.

Incorrect and/or inadequate waste disposal poses significant safety and environmental risk. To this end, TCCS invested in infrastructure at the Hazardous Waste Collection area within the Mitchell Resource Management Centre to improve safety and reduce the threat of environmental hazards. This was achieved by the installation of a purpose built oil disposal shed and the construction of a hazardous waste shed. The hazardous waste shed provided secure storage of hazardous wastes and an easy and user friendly drop-off area for the public to use.

New waste management and recycling initiatives

The Waste Act

The Waste Act encourages and promotes responsible waste management practices, innovative waste industry opportunities and works towards making our waste sector carbon-neutral. It was developed following extensive industry and community consultation. The Waste Act will replace the *Waste Minimisation Act 2001*. Since the 2001 Act was introduced, waste management practices and technology have changed significantly, Canberra's population has increased and there is more pressure on our landfill capacities.

The Waste Act won't impact on day-to-day household waste collections, but will change the way the commercial waste sector operates by introducing incentives to manage the collection, storage, recovery and reuse of waste in the ACT. It will require the commercial waste industry to provide data on their waste activity to government agencies to better understand what happens to our waste and develop strategies to minimise it and encourage more resource recovery. It will promote investment in waste facilities in the ACT to better cater for waste streams, such as mixed commercial waste and household residual waste.

The Waste Act also encourages waste transportation businesses and waste treatment facilities to recycle or reuse their waste, rather than simply sending it to landfill. Landfill should only be a destination for waste that cannot be recovered and recycled. There are savings to be made in the waste industry by changing practices to recycle and recover waste.

Ultimately, businesses that recycle and recover their waste rather than sending it to landfill will pay less, making it more attractive for waste operators to recycle and contribute to resource recovery.

The Waste Act provides a framework for the review of waste management in the ACT and is an early outcome from the ACT Waste Feasibility Study.

Container Deposit Scheme

Work has begun on designing a Container Deposit Scheme (CDS) for introduction across the ACT in early 2018. A CDS is a product stewardship scheme that obliges beverage suppliers to take greater responsibility for packaging after it has been sold. It is an effective and popular means of reducing litter and encouraging community participation in recycling. ACT Government is working closely with NSW to harmonise the ACT and NSW CDS with the aim of minimising consumer confusion.

Green Bin Pilot

An opt-in residential green bin pilot program covering Weston Creek and Kambah commenced in March 2017 and will run to 30 June 2018 wherein it will be reviewed with the lessons learnt informing a city-wide rollout in future years. Residents across Chapman, Duffy, Fisher, Holder, Rivett, Stirling, Waramanga, Weston and Kambah were able to opt into the service, pay a one-off fee of \$50 and receive a 240 litre mobile garbage bin with a lime coloured lid. Eligible concession card holders who opt-in receive the service for free. As at 30 June 2017, approximately 7,400 registrations in the pilot area had been received.

Future of waste management in the Territory

Through the ACT Waste Feasibility Study, TCCS continued its research and consultation with community and commercial reference groups on a range of options to manage and minimise waste in the ACT now and into the future.

The study also conducted a market sounding in early 2017, which saw industry present its capacity and capabilities to provide collection, processing and advisory services for waste and soil in the ACT.

TCCS investigated further possible product stewardship initiatives and regulatory interventions for the more effective recovery and recycling of specific wastes such as rechargeable batteries and commercial, construction and demolition waste. Recommendations from these investigations will be provided to the Government in late 2017 for consideration along with the wider findings of the ACT Waste Feasibility Study.

Asset management and landfill operations

TCCS facilitated the safe disposal of over 40,000 tonnes of asbestos impacted waste into the West Belconnen Resource Management Centre. This waste came from the Currong Flats in Braddon, which were demolished as part of the Government's Urban Renewal Program.

TCCS also safely disposed of 511 Mr Fluffy houses at West Belconnen as part of the Loose Fill Asbestos Insulation Eradication Scheme in 2016-17. This takes the total number of houses disposed at West Belconnen to 760. These houses equated to approximately 201,972 tonnes of decontaminated building waste and a further 507,986 tonnes of soil was accepted to safely encapsulate the waste.

TCCS, through ACT NOWaste will manage the progressive rehabilitation of the West Belconnen Landfill before its closure and subsequent transfer to the Ginninderry development in 2020. The rehabilitation involves a comprehensive investigation of site conditions, risk assessments, construction of capping layers, installation of landfill gas and leachate collection and management infrastructure and conforms to the conditions set out by the Environment Protection Authority (EPA). The final land use is subject to the Ginninderry Master Plan.

Capital works continued to increase landfill capacity at the Mugga Lane Resource Management Centre to meet waste to landfill projections, providing landfill capacity at Mugga through to early 2020.

Leachate control

Capping of completed landfill cells was done at the Mugga Lane Resource Management Centre to limit odour and gas release and to limit water entering the landfill cell. Along with capping, TCCS invested in a new leachate dam at Mugga to capture, hold and assist with the evaporation of contaminated water, otherwise referred to as 'leachate', from the landfill. This process serves to reduce the environmental threat caused by leachate and comply with environmental regulations.

Odour Management

ACT NOWaste, in conjunction with the EPA, closely monitored the service performance of the Environmental Authorisation holders at the Mugga Lane Resource Management Centre to make certain best practice operations were carried out and to minimise impacts on the environment, including the creation of odour. In 2016-2017, TCCS engaged an independent odour assessment consultant to provide odour assessments of the Mugga Lane Resource Management Centre and its impact on the surrounding suburbs. These works will continue into 2017-18.

Landfill gas – new generator

TCCS continued to capture methane for the generation of electricity from landfill gas production at both the Mugga Lane and West Belconnen sites. During the year, 26,000 mega watt hours (MW) was captured and converted into enough electricity for approximately 3,400 average households.

An expansion of the Mugga Lane Power Station was undertaken increasing the landfill gas recovery capability from 3MW to 4MW. This is anticipated to result in the generation of additional electricity which is estimated to power the equivalent of 1,000 homes and result in the abatement of approximately 41,900 tonnes of carbon dioxide which is equivalent to taking around 9,400 cars off the road.

Improved fencing was a 2016-17 initiative and has provided essential infrastructure along the boundaries of the Mugga Lane Resource Management Centre. The fencing was part of a holistic litter management strategy to improve the visual amenity of the site as well as providing security to the site operations and adjoining property owners.

Due to unforeseen planning and development application requirements, completion of the upgrade to the roads, weighbridge facility and traffic control devices at Mugga Lane Resource Management Centre has been delayed to the first half of 2017-18. This project will alleviate extended waiting times during peak periods, traffic congestion and provide additional weighbridge capacity.

Priorities for 2017-18 include:

- > implementation of a CDS in early 2018;
- > review and redesign the household kerbside bulky waste service;
- > evaluation of the green bin pilot and progress of the procurement design work on the whole of Canberra Green Bin roll-out;
- > implementation of the Waste Act;
- > progress findings of the ACT Waste Feasibility Study;

- > commencement of construction of the next new landfill cells at the Mugga Lane Resource Management Centre (four year program); and
- > commencement of rehabilitation of the West Belconnen Resource Management Centre (four year program).

Waste Minimisation Act 2001

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

Output 2.4: City Maintenance and Services

Planning and management of the Territory's parks and urban open space system including associated community infrastructure, maintaining the look and feel of the city; and managing the urban forest. TCCS also provides advice, education and compliance services in relation to municipal ranger functions, domestic animal management, plan and animal licensing and significant tree protection. This also includes Yarralumla Nursery.

Urban Land Management 2016-17

During the 2016-17 reporting period, TCCS:

- > was responsible for the mowing of approximately 4,650 hectares of public land, including along arterial roads, town, district and local parks and fire hazard protection zones;
- > worked with major retailers to assist the activation of coin-lock trolley containment systems to help reduce the prevalence of abandoned shopping trolleys on public land;
- > worked directly with charitable collection organisations to develop innovative solutions to the illegal dumping of donated goods around collection bins while allowing charitable organisations to utilise collected material;
- > cleaned and maintained 90 local, group and city shopping centres and 68 public toilets on a daily or weekly basis. TCCS also implemented a one-off intensive cleaning program of all local shopping centres and continued a program of bus shelter cleaning;
- > managed 112 urban lakes and ponds, which were cleaned twice annually. Larger lakes and ponds were cleaned quarterly;
- > performed weekly inspections of 17 identified sites during the Death Cap Mushroom (DCM) season and saw the removal and destruction of 543 DCMs in total;
- > replaced the tiled mosaic artwork at Watson Shops in collaboration with the artist;
- > was responsible for the management of graffiti on public assets, including removal of illegal graffiti and the management of 25 legal street art and mural sites across Canberra. A Graffiti Coordinator, engaged with Graffiti Buster volunteers and Community Services, works to reduce the prevalence of graffiti on private residential fences bordering public land;
- > managed the urban forest, comprising of over 760,000 trees on public land. Maintenance work included watering young trees using reclaimed water from urban lakes and ponds, general and formative pruning and tree replacement. There was a 30 per cent increase in the number of tree related requests from members of the public following several major storm events;
- > undertook a program to reduce fire hazard through extensive pruning of foliage around trees near high voltage powerlines. This program involved 2,500 trees and will continue in 2017-18;
- > was responsible for 507 playgrounds and conducted more than 25,000 playground audits; and
- > maintained 21 skate parks in Canberra, seven of which are major skate parks. Maintenance included graffiti removal and monthly testing of skate park lighting.

Open Space Furniture:

TCCS installed:

- > new bollards across Canberra to address public safety and prevent vehicle-related damage to public open space and urban parks;
- > approximately 20 new seats across Canberra's public spaces, including urban parks and playgrounds; and
- > a total of 12 new bin shrouds at Watson, Hackett, Lyneham and Yarralumla Shops.

Priorities for 2017-18 include:

- > continue to work on the ACT Healthy Water Ways Project to design and deliver water-sensitive infrastructure to improve water quality;
- > continue to work with charitable collection organisations to reduce illegal dumping through new and innovative methods;
- > preserve the extent, character and sustainability of Canberra's urban forest; and
- > implement the Better Suburbs Initiative to remove decommissioned assets, undertake additional weed control, improve the amenity of major entrance roads to the city and take a strategic approach to improving the delivery of municipal services.

Domestic Animal Services

Domestic Animal Services has worked with rescue groups and the public to promote the sale of impounded dogs. This has resulted in 95 percent of saleable stray and abandoned dogs being re-homed. Also an increase in registered and microchipped dogs has assisted in returning roaming dogs to their homes and consequently reducing the need to impound.

Priorities for 2017-18 include:

- > Animal Welfare and Management Strategy 2017-2022.

Birrigai

Established in 1980, Birrigai is a residential outdoor education centre that is located in a natural environment next to the Tidbinbilla Nature Reserve and offers a range of programmed activities that cater for local regional, interstate and international schools from preschool to Year 12.

Birrigai also opens its doors to a wide range of community and corporate groups for specialist team-building and leadership programs, which use the facility for numerous workshops, seminars and special events.

Visitors at Birrigai engage in outdoor, environmental, science, and Australian and Indigenous history focussed education programs that aim to support schools in the delivery of the Australian Curriculum.

Birrigai had a total of 14,040 visitor days across the 2016-17 year. The site continues to be heavily utilised by ACT schools making up approximately 80 per cent of the total visitor days with the remaining 20 per cent made up of interstate schools, corporate and community group visitors.

Throughout the year, Birrigai continued to develop the site and programs to maintain competitiveness in a busy market. Site works included a new shade structure at the vertical playpen outdoor activity site; new carpets; heating and painting in a number of the accommodation units. Program development has included work on new sustainability and leadership programs.

Priorities for 2017-18 include:

- > implementation of power and water upgrades to ensure business continuity; and
- > increase market share across a range of different sectors including schools, corporate and community sectors.

Yarralumla Nursery

Yarralumla Nursery was the Territory's Government owned commercial wholesale plant nursery. It was the largest wholesale nursery in the southern tablelands and sold high-quality, competitively priced plants to the landscape, wholesale and retail sectors, Landcare groups, and all levels of governments. During the reporting period, it grew over 200,000 plants and trees in over 400 different varieties. It is also the horticultural advisor for plant biosecurity events.

The Yarralumla Nursery propagated and grew cool climate plants from its own plant stock and seed bank including local, rare and endangered species.

The Yarralumla Nursery managed the ACT Government's Plant Issue Scheme including horticultural advice to scheme recipients. The Plant Issue Scheme, first introduced in 1930 to preserve the garden city concept of Walter Burley Griffin, provided owners of new residential land in the ACT with an allocation of free plants to help establish new suburbs. The Yarralumla Nursery issued 5,035 plants to eligible homeowners during the reporting period.

In the reporting period, the Nursery also provided stock to other ACT Government activities and services, including trees to the Arboretum and the ACT Parks and Conservation Service; bulbs and annuals to Floriade; and is presently growing over 1,000 trees for the light rail project.

The Yarralumla Nursery continued to provide employment and vocational training to people with a disability through the longstanding Koomarri employment contract and the Black Mountain School vocational training program. This involvement also extended to the ACT community through the provision of programs such as work experience placements and volunteering opportunities and return to work rehabilitation for injured ACT Government employees.

Priorities for 2017-18 include:

- > business continuity measures to ensure the Yarralumla Nursery can continue to operate during power outages;
- > increasing its customer base;
- > increasing sales to existing customers; and
- > continuing to maintain the heritage listed assets at Yarralumla Nursery.

Output 2.5 Capital Linen Services

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 2016-17 Capital Linen Services laundered and delivered over 6,777 tonnes of linen, which is around eight per cent higher than the previous year and seven per cent below the targets for the reporting period. The lower than expected result is largely a due to a decline in reusable theatre linen sales across the public and private health sectors and the loss of one accommodation sector contract in January 2017.

Capital Linen Services has commenced discussions with linen suppliers to deliver a range of innovative reusable theatre linen products to the health sector and has since replaced volumes lost in the accommodation sector.

Productivity gains and improved labour utilisation practices improved profitability by 163 per cent on last year and net cash flow grew by over 320 per cent when compared with the 2015-16 financial year.

Capital Linen Services maintained its high quality delivery standards with the on-time delivery of over 99 per cent of all items ordered by one of its largest customers, The Canberra Hospital.

During the course of the year, Capital Linen Services:

- > developed draft customer service and ICT strategies;
- > continued to roll out ICT data management services to plant and equipment;
- > commenced construction of a commercial website (expected to be launched in early 2017-18); and
- > transitioned to a new time and attendance system, reducing the reliance on spreadsheets.

The Customer Service Strategy, set to commence in 2017-18, outlines service delivery standards and schedules regular customer interaction. The plan seeks to strengthen customer retention, improve information gathered from customers and build on previous year's positive customer acquisition trends and monitor and measure customer satisfaction.

During the course of the financial year, Capital Linen Services successfully maintained quality management certification against the ISO AS/NZS 9001:2008 standard. This ISO certification has been maintained for over fifteen years without a single non-conformance raised and is currently valid to May 2018.

Priorities for 2017-18 include:

- > review the asset management plan with a focus on reducing reliance on traditional forms of energy; and
- > strengthen competitiveness to the public health sector through productivity gains and cost reductions, delivered by a business improvement committee.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.



B.3 - 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 tables list the performance audits carried out by the Auditor-General's office, their recommendations relating to TCCS and where applicable, the response to those recommendations.

TABLE 3: INITIATION OF THE LIGHT RAIL PROJECT REPORT NO.5/2016

Recommendation	Action and status
<p>RECOMMENDATION 1 - PROJECT CONTROLS PROCEDURE</p> <p>The Capital Metro Agency (the Transport Canberra and City Services Directorate as of 1 July 2016) should develop and implement a Project Controls Procedure to assist in managing project activities in accordance with the Project Plan and its objectives*.</p> <p>*During the audit the Capital Metro Agency advised that a Project Controls Procedure was being developed as part of the transition to the delivery phase of the Capital Metro Light Rail Project. On 14 June 2016 the Capital Metro Agency advised that a Project Controls Procedure had been developed for the delivery phase of the project. This has not been audited as to do so would have delayed publication of this report.</p>	<p>Agreed-in-principle. The Government agrees-in-principle to this recommendation, however the construct of the recommendation does not recognise that project control procedures were already in place for the Project.</p> <p>During the Procurement phase of the Project, the former Capital Metro Agency (CMA) had a dedicated Project Controls team in place to manage all aspects of project controls in accordance with the Project Plan. This team was responsible for Project governance, an area which was recognised by the Auditor-General in her report as being sound and generally in accord with better practice.</p> <p>The Government acknowledges the ongoing value in maintaining project controls over the life span of the Public Private Partnership (PPP). Therefore the Project Controls team remains in place now in the Project's delivery phase with expanded responsibilities and resources for contract management.</p>

Recommendation	Action and status
<p>RECOMMENDATION 2 - EXTERNAL REVIEWS</p> <p>The Capital Metro Agency (the Transport Canberra and City Services Directorate as of 1 July 2016) should design independent external reviews of the Capital Metro Light Rail Project so that: a) objectives are defined; b) appropriately qualified subject matter experts conduct the reviews; c) sufficient time is allowed for their conduct; and d) documentation is thorough.</p>	<p>Agreed-in-principle. The Government agrees-in-principle to the need for independent external reviews and notes that any reviews will be designed so that:</p> <ul style="list-style-type: none"> a) its objectives are clearly defined; b) appropriately qualified subject matter experts conduct the reviews; c) sufficient time is allowed for their conduct; and d) all documentation is thorough. <p>The Government notes the ambiguity of this recommendation. It does not prescribe the content that should be targeted for review or the preferred timeframes and frequency levels that should be applied when planning such reviews. The recommendation also did not fully consider to recognise that independent external reviews had already been facilitated by the CMA or that further planned activities will support such reviews, based on Territory policy.</p> <p>The Partnerships Framework - Guidelines for Public Private Partnerships, Second Edition: May 2016 (the Partnerships Framework) identifies that an independent review and certification process should be implemented as part of a PPP project.</p> <p>In May 2016, an independent certifier was appointed to the Project. The key function of this role is to act as an independent reviewer and, where applicable, as a certifier to both the Territory and the PPP private sector partner (Project Co). This provides assurance to the Territory that the Project Co and its subcontractors fulfil their obligations as outlined in the Light Rail Project Agreement and other related Project documents.</p> <p>The appointment of the independent certifier for the Project was made jointly by the Territory and Project Co. The independent certifier acts independently and is not as an agent of either party. Accordingly, costs and expenses (including professional fees and costs incurred in exercising functions/obligations under the Deed of Appointment) are shared between the Territory and Project Co on a 50:50 basis.</p> <p>The appointed independent certifier has appropriate experience in construction and project management, particularly in reviewing and certifying design documentation, and the design, manufacture, construction, and supply of light rail transport assets and infrastructure.</p>
<p>RECOMMENDATION 3 - PUBLIC REPORTING OF CAPITAL METRO LIGHT RAIL COSTS</p> <p>The Capital Metro Agency (the Transport Canberra and City Services Directorate as of 1 July 2016) should accurately and transparently report the actual costs of delivering the Capital Metro Light Rail Project. This should include: a) public reporting of actual costs compared to published budgets for the Capital Light Rail Project in annual reports of the Transport Canberra and City Services Directorate; b) availability payments made to the PPP consortium; and c) Capital Metro Agency costs associated with managing the PPP consortium during the construction of the Capital Metro light rail and for the ongoing operation of the Capital Metro light rail.</p>	<p>Agreed-in-principle. The Government agrees-in-principle to the recommendation. In doing so, it notes that the costs to date have been accurately reported in the former CMA's Annual Reports.</p> <p>Future Annual Reports for the Transport Canberra and City Services Directorate will continue to capture all Territory expenditure for the Project in each financial year, including availability payments made to Project Co (noting these payments will not commence until 2018-2019).</p> <p>Directorate costs associated with managing the contract with Project Co will also be captured in these reports, with the exception of corporate and government servicing costs which are shared resources across the Directorate.</p>

TABLE 4: MANAGEMENT AND ADMINISTRATION OF CREDIT CARDS BY ACT GOVERNMENT ENTITIES REPORT NO.6/2016

Recommendation	Action and status
<p>RECOMMENDATION 1 – ISSUE OF ACT GOVERNMENT CREDIT CARDS</p> <p>ACT Government Entities should regularly, and at least annually, review the allocation of ACT Government credit cards and determine if cards not being used should be rescinded.</p>	Agreed. ACT Government entities will annually review the allocation of credit cards.
<p>RECOMMENDATION 5 – CREDIT CARD GUIDANCE AND USE</p> <p>All ACT Government entities should provide guidance on credit card management and administration for all supporting controls. However particular attention needs to be given to guidance on:</p> <ul style="list-style-type: none"> a) tax invoices, especially explaining the need for these to be obtained for all transactions over \$82.50 (GST Inclusive) and defining what constitutes a tax invoice; b) appropriate retention of documentation to demonstrate appropriate use; and c) the use of whole-of-government purchasing arrangements, including the need for documentation to demonstrate any departures from the arrangements. 	Agreed. ACT Government entities will review their existing credit card guidance, to ensure these areas are adequately covered, if not already covered.
<p>RECOMMENDATION 6 – DATA FOR MONITORING AND REVIEW</p> <p>All ACT Government entities should investigate opportunities to:</p> <ul style="list-style-type: none"> a) access Corporate Online for the purpose of obtaining detailed transactional data on credit card use within the entity; or b) receive reports from Shared Services with respect to credit card use within the entity; and c) use transactional data, or reports from Shared Services, to review and evaluate the use of credit cards within the entity, including the ongoing appropriateness of the issue of credit cards to staff and any opportunities for improvement with respect to the efficient and effective management of credit cards in the entity. 	Agreed. Increased data monitoring and review of credit card usage will be undertaken by ACT Government entities.

Maintenance of Selected Road Infrastructure Assets Report No.5/2017

Transport Canberra and City Services (TCCS) welcomed the performance audit on selected road infrastructure assets and looks forward to implementing its recommendations. This audit was undertaken shortly after the formation of TCCS (1 July 2016) during the transition from Territory and Municipal Services. TCCS is committed to addressing the findings of the report and has already undertaken tangible steps to start implementing the proposed recommendations.

A Government response is yet to be finalised and will be reported in the 2017-18 annual report.

TABLE 5: MAINTENANCE OF SELECTED ROAD INFRASTRUCTURE ASSETS REPORT NO.5/2017

Recommendation	Action and status
<p>RECOMMENDATION 1 – ROADS ACT'S BUSINESS PLAN</p> <p>Roads ACT's Roads and Infrastructure Business Plan should specify Roads ACT's contribution to key ACT Government priorities, business objectives that link to the Transport Canberra and City Services Directorate's Corporate Plan and include relevant performance targets that relate directly to the performance of road infrastructure assets (such as accountability indicators and key service level targets).</p>	To be reported in 2017-18.
<p>RECOMMENDATION 2 – ACCOUNTABILITY INDICATORS FOR ROADS AND PATHS MAINTENANCE</p> <p>Roads ACT should develop accountability indicators with related targets for the percentage of distressed roads; distressed paths; percentage of road pavement that exceeds its optimal age; percentage of paths that exceeds their optimal age; and the timeliness of road maintenance activities.</p>	To be reported in 2017-18.

Recommendation	Action and status
RECOMMENDATION 3 –RISK MANAGEMENT Roads ACT should: <ul style="list-style-type: none"> a) undertake a detailed analysis of risk treatments before including specific actions (to reduce the risks relevant to the maintenance of infrastructure) in its Risk Register; and b) amend the Risk Management Framework to require information on risks to be reported to the Transport Canberra and City Services Division Head Executives, Executive team and nominated Risk Manager every six months. 	To be reported in 2017-18.
RECOMMENDATION 4 – REPORTING TO THE EXECUTIVE LEADERSHIP TEAM Roads ACT should improve its reporting to the Executive Leadership Team by developing a report that includes information relating to Directorate priorities; human resource management; operations; financial management; progress reporting against planned levels of performance; and key risks relating to Roads ACT.	To be reported in 2017-18.
RECOMMENDATION 5 – ENVIRONMENTAL MANAGEMENT PLANS Roads ACT should: <ul style="list-style-type: none"> a) require environmental management plans be prepared for both contracted and in-house maintenance work; and b) include environmental management plans, in their maintenance contracts, which address the adverse environmental impacts of the work on community paths and specify how these impacts will be addressed. 	To be reported in 2017-18.
RECOMMENDATION 6 –OPERATIONAL PLANS Roads ACT should: <ul style="list-style-type: none"> a) have up-to-date, comprehensive operational plans for all road infrastructure asset classes; b) develop an operational plan for road pavement; c) update its Asset Management Operational Plan for Community Paths in the ACT to include information on the staff, resources and estimated costs to maintain community paths and the environmental impacts of maintenance work; and d) develop a new operational plan for streetlights that reflects the new arrangements resulting from the Energy Performance Contract. 	To be reported in 2017-18.
RECOMMENDATION 7 –TIMELY DATA ON ASSET CONDITION Roads ACT should: <ul style="list-style-type: none"> a) update the condition of all road infrastructure assets into IAMS (or its equivalent) within set timeframes; b) continue to work on a means of capturing asset condition reports directly from the field; and c) provide training and guidance to staff on the use of IAMS (or its equivalent). 	To be reported in 2017-18.
RECOMMENDATION 8 –CUSTOMER FEEDBACK Roads ACT should develop a process for providing timely feedback to customers when work has been undertaken as a result of a customer query or complaint.	To be reported in 2017-18.
RECOMMENDATION 9 – RECORDS MANAGEMENT Roads ACT should: <ul style="list-style-type: none"> a) document its reasons as to why a road resurfacing project is deleted or rolled-over from one year to the next; and b) maintain contract management records on asphalt contracts to demonstrate achievement of the required quality of asphalt compaction. 	To be reported in 2017-18.

Recommendation	Action and status
<p>RECOMMENDATION 10 – REPORTING ON ROAD RESURFACING</p> <p>Roads ACT should:</p> <ul style="list-style-type: none"> a) improve the monthly productivity reports to include the unit cost for in-house asphalt work; and b) amend the annual key performance indicator report on road resurfacing (prepared for the Director of Roads ACT) to include the Program item number and the planned quantity against each road section. 	To be reported in 2017-18.
<p>RECOMMENDATION 11 –ADDRESSING THE BACKLOG</p> <p>Roads ACT should develop a long-term strategy for reducing the road maintenance backlog.</p>	To be reported in 2017-18.
<p>RECOMMENDATION 12 – MAINTAINING COMMUNITY PATHS</p> <p>Roads ACT should develop and implement a:</p> <ul style="list-style-type: none"> a) renewal program for the timely repair of defects across the Territory; and b) planned program of inspections of the condition and safety of community paths that are not in high priority locations. The frequency of inspections should be sufficient to reliably determine whether maintenance of paths is needed. 	To be reported in 2017-18.
<p>RECOMMENDATION 13 – HIGH PRIORITY OF LOCATIONS OF COMMUNITY PATHS</p> <p>Roads ACT should review the list of high priority locations of community paths, and their priority rating, on a biennial basis and update the Asset Management Operational Plan for Community Paths and Strategic Asset Management Plan’ for the results of these reviews.</p>	To be reported in 2017-18.
<p>RECOMMENDATION 14 – QUALITY CONTROL</p> <p>Roads ACT should implement a system of verifying that concrete used by contractors to maintain community paths comply with ACT Government design standards</p>	To be reported in 2017-18.
<p>RECOMMENDATION 15 – COST OF MAINTAINING AND UPGRADING COMMUNITY PATHS</p> <p>Assessments of the future costs of maintaining and upgrading community paths and the related funding requirements should be updated and included the Transport Canberra and City Services Strategic Asset Management Plan.</p>	To be reported in 2017-18.
<p>RECOMMENDATION 16 – SERVICE LEVEL TARGETS</p> <p>Roads ACT should maintain records of the timeliness of the replacement of paving or concrete in general and for shopping areas and monitor whether replacements are made within target timeframes.</p>	To be reported in 2017-18.
<p>RECOMMENDATION 17 – TRAFFIC SIGNAL REPLACEMENT SCHEDULE</p> <p>Roads ACT should develop a comprehensive traffic signal component replacement schedule.</p>	To be reported in 2017-18.
<p>RECOMMENDATION 18 – CONTRACT MANAGEMENT FOR TRAFFIC SIGNAL MAINTENANCE</p> <p>Roads ACT’s contract management for traffic signal maintenance should:</p> <ul style="list-style-type: none"> a) include a review of the monthly progress report; b) require that the number of critical or major traffic signal faults be reported by the contractor on a monthly basis; and c) undertake an annual reconciliation to ensure all planned maintenance has been completed. 	To be reported in 2017-18.

Recommendation	Action and status
RECOMMENDATION 19 – MONITORING TRAFFIC SIGNAL MAINTENANCE PERFORMANCE Roads ACT should, on a monthly basis, monitor maintenance undertaken against the agreed preventative maintenance program and service level targets for traffic signal maintenance.	To be advised in 2017-18
RECOMMENDATION 20 – IMPROVING TRAFFIC SIGNAL PERFORMANCE REPORTING Roads ACT should require the contractor responsible for traffic signal maintenance to report on the: <ul style="list-style-type: none"> a) number of major faults reported to be less than one per traffic signal per year in the monthly report; and b) elapsed time between being advised of the fault and the completion of the repair in the monthly report. 	To be advised in 2017-18

LEGISLATIVE ASSEMBLY COMMITTEES

The following tables list the reports of the Legislative Assembly Committees, their recommendations and TCCS's response to those recommendations.

TABLE 6: STANDING COMMITTEE ON PLANNING, ENVIRONMENT AND TERRITORY AND MUNICIPAL SERVICES REPORT ON ANNUAL AND FINANCIAL REPORTS 2014-15

Recommendation	Action and status
RECOMMENDATION 5 The Committee recommends that in future annual reports Libraries ACT include reporting on the number of digital visitors to libraries in the financial year.	<p>Agreed. Libraries ACT supports reporting on the number of digital visitors to libraries. There is currently a national project underway to develop national Key Performance Indicators for libraries, including digital services. Once this project is completed, Libraries ACT will report on the number of digital visitors to libraries in their Annual Report.</p> <p>National research conducted on standards and guidelines offers a single standard for digital visits, defined as 'visits to the library website per capita per annum.'</p> <p>The research report explains there is no national data for this indicator as each jurisdiction uses different definitions, and that this is only a partial indicator of digital library use. For example, for Libraries ACT the number of visits to the library website does not include:</p> <ul style="list-style-type: none"> the number of visits to the library catalogue (where visitors perform the same functions they would in a physical library); > the number of times an eResource is accessed; > the number of times an app providing digital information is accessed or downloaded; or > the number of digital loans. <p>Libraries ACT is now considering definitions and how to best put in place systems to enable future reporting on digital visits.</p> <p>With those caveats in place, the number of visits to the Libraries ACT website for 2016-2017 was 732,442.</p>

**TABLE 7: STANDING COMMITTEE ON PLANNING, ENVIRONMENT AND TERRITORY AND MUNICIPAL SERVICES
REPORT ON ANNUAL AND FINANCIAL REPORTS 2015-16**

Recommendation	Action and status
<p>RECOMMENDATION 17</p> <p>The Committee recommends the Transport Canberra and City Services Directorate report to the Committee during its 2016-17 annual report hearings on the crash statistics at the Barton Highway roundabout.</p>	<p>Agreed. Roads ACT will report on data collected over the 2017 calendar year at annual report hearings.</p>
<p>RECOMMENDATION 18</p> <p>The Committee recommends the Transport Canberra and City Services Directorate report to the Committee during its 2016-17 annual report hearings on the implementation, patronage and reliability of the Airport bus route.</p>	<p>Confirmed. TCCS will report on the airport bus service at the 2016-17 annual report hearings.</p>
<p>RECOMMENDATION 19</p> <p>The Committee recommends the ACT Government update the Assembly on the acquisition of the electric buses, the estimated date for delivery of the buses and commencement date of the on-road component of the electric bus trial.</p>	<p>The Minister will make public announcements regarding the alternative energy bus trial by 31 August 2017.</p>
<p>RECOMMENDATION 20</p> <p>The Committee recommends the ACT Government continue to conduct community consultation processes on the priority needs in local shopping precincts.</p>	<p>Not agreed. The outcomes of the local shopping centre feasibility study currently being completed by TCCS will be made public in late 2017. This will identify prioritisation of future upgrades including consultation with high priority locations.</p>
<p>RECOMMENDATION 21</p> <p>The Committee recommends the ACT Government fast-track upgrades to facilities in local shopping precincts where safety concerns have been identified, and that these shopping centres and the required updates be identified and be given an indicative prioritisation.</p>	<p>Agreed in principle. Safety issues are inspected and addressed following regular inspections and complaints being lodged. Local shopping centre upgrades are subject to future capital works program. No reporting required.</p>
<p>RECOMMENDATION 22</p> <p>The Committee recommends the ACT Government regularly updates the Assembly on the progress and outcomes of the solar bin trial.</p>	<p>Agreed. The trial has been completed and the report drafted with a summary of the outcomes of the report to be placed on the TCCS website following endorsement.</p> <p>The solar bins were trialled in three public sites in Kingston, Campbell and Wright. The units improved efficiency, holding up to 30 per cent more than existing 240 litres bins. They also provided real time data for collection efficiency through the use of sensor technology. Throughout the trial, challenges included jamming (approximately every two weeks) in the high-use Kingston site, and repairs were difficult to undertake and often required a specialised technician. The bins caused some ergonomic hazards and the cost of the purchase and repairs of the bins was significantly higher than standard bin shrouds and bins. Based on the whole of life costs of compared to the standard 240 litre bin and shroud, it is more cost effective and efficient to increase the provision of standard bins to reduce bin emptying frequency. However, it is recommended that the sensor technology be trialled in low use locations to improve efficiency.</p>

Recommendation	Action and status
RECOMMENDATION 23 <p>The Committee recommends the ACT Government examine as a priority, the evaluation of recent dog attacks and the methodology in place to declare a specific dog as a dangerous dog.</p>	<p>Agreed in principle. This action is being addressed through the response to parts (2)(c) and (d) of the 'Dog Attacks' Assembly Resolution passed on Wednesday 29 March 2017. A report is due by the end of September 2017.</p> <p>The investigation methodology of dog attacks is subject to a continuous improvement process and new case management technology is being introduced to assist with investigations.</p> <p>The methodology to declare a dog as a dangerous dog is well established in legislation, however in line with the continuous improvement approach the ACT Government will continue to consider community expectations in applying these provisions. The ACT Government considers that education of owners and the public about responsible pet ownership is the most effective means of preventing dog attacks.</p>
RECOMMENDATION 24 <p>The Committee recommends the ACT Government continue to examine options that could be implemented to reduce the instances of dog-on-person and dog-on-dog attacks.</p>	<p>Agreed. Work is underway to promote and encourage responsible pet ownership in the ACT, including measures to better manage dogs in public places such as off lead areas and open space. This preventative approach is espoused in the Government's draft Animal Welfare and Management Strategy as a key means to reduce the instances of dog attacks.</p>
RECOMMENDATION 25 <p>The Committee recommends, in support of the ACT Government's policy on local participation in the workforce, the Transport Canberra and City Services Directorate include the percentage of local employees working for Canberra Metro in future annual reports.</p>	<p>Confirmed. TCCS will report on Local Industry Participation Plan policy at the 2016-17 annual report hearings.</p>

TABLE 8: INQUIRY INTO APPROPRIATION BILL 2016-2017 AND THE APPROPRIATION (OFFICE OF THE LEGISLATIVE ASSEMBLY) BILL 2016-2017

Recommendation	Action and status
RECOMMENDATION 17 <p>The Committee recommends that the ACT Government provide details to the ACT Legislative Assembly about how it will maintain public spaces in Crace.</p>	<p>Agreed. Maintenance of public spaces in Crace will be maintained at the same standard as public open spaces in suburbs across Canberra. This includes mowing of suburban parkland on a monthly cycle, and arterial roads on a five weekly cycle during the growing season.</p> <p>Bi-annual treatment of weeds on major arterial roads and shrub beds; monthly litter picking of public open spaces; cleaning of public toilets daily and shopping centres at least weekly; and barbeque cleaning weekly in winter and twice weekly in summer.</p>
RECOMMENDATION 18 <p>The Committee recommends that the ACT Government consider a dog park for Crace.</p>	<p>Noted. For the dog parks will need to be considered in the context of resource availability and other spending priorities in a future budget process.</p> <p>Consideration for an enclosed dog park would also be assessed against other locations in Canberra that also desire a dog park; the availability and suitability of open space and its impacts on adjacent residences. Other options for exercising dogs would also be explored including identifying off-lead areas of open space and use of sporting ovals when they are not being used for organised sport.</p>

Recommendation	Action and status
<p>RECOMMENDATION 19</p> <p>The Committee recommends that the ACT Government detail how it will address morning traffic egress issues in Crace.</p>	<p>Agreed. The improvements currently underway at the intersection of the Barton Highway and Gundaroo Drive are due for completion later in 2016. These improvements will assist in improving the egress issues at Crace. The ACT Government will review the egress issues at Crace after the works at the Barton Highway intersection have been completed.</p> <p>Signalisation of the Barton Highway / Gundaroo Drive / William Slim Drive were completed in early 2017. The civil and signalisation improvements have assisted in improving egress from Crace. Delays in exiting the suburb in peak periods have been reduced, and no further complaints have been received on this issue since the intersection improvements have been achieved.</p>
<p>RECOMMENDATION 23</p> <p>The Committee recommends that the ACT Government develop goals and measures to increase walking in the ACT.</p>	<p>Agreed in principle. The Government will incorporate the consideration of walking goals and measures into the work plan for the Active Travel office now situated in the Transport Canberra and City Services Directorate.</p>
<p>RECOMMENDATION 24</p> <p>The Committee recommends that the ACT Government include accountability indicators for developing walking facilities and support for active transport in future Budgets.</p>	<p>Agreed in principle.</p>
<p>RECOMMENDATION 29</p> <p>The Committee recommends that the ACT Government provide three year funding for the RSPCA ACT.</p>	<p>Noted. The ACT Government contributes to the operating costs of the RSPCA-ACT. The issue of a longer-term funding arrangement for the delivery of key animal welfare services will need to be considered in the context of resource availability and other spending priorities in a future budget process.</p>
<p>RECOMMENDATION 30</p> <p>The Committee recommends that the ACT Government continues to review annual services to improve enforcement and effectiveness of animal protection legislation and implement to improve legislative provisions.</p>	<p>Agreed in principle. Over the last three years, the ACT Government has amended and strengthened the key pieces of legislation; the <i>Domestic Animals Act</i> and <i>Animal Welfare Act</i> which regulate the care and management of animals in the ACT. The Government is developing an Animal Management Strategy in 2016-17 which will guide the direction and assess the requirement for additional legislative provisions.</p> <p>The draft <i>Animal Welfare and Management Strategy 2017-2022</i> (the Strategy) has been developed in consultation with key stakeholders including the Animal Welfare Advisory Committee, RSPCA-ACT, and the ACT Veterinary Surgeons Board. Public consultation concluded in mid-2017. The Strategy is currently being finalised and work has already commenced on its implementation. The Strategy encompasses domestic, native, exotic and working animals, as well as animals used for research, entertainment and livestock purposes. The Strategy puts an emphasis on responsible pet ownership as a key means to better manage animal welfare.</p>

Recommendation	Action and status
<p>Recommendation 130</p> <p>The Committee recommends that the ACT Government report, by the last sitting day of 2016, to the ACT Legislative Assembly on the merger of Territory and Municipal Services Directorate and Capital Metro Agency and its progress.</p>	<p>Agreed in principle. The merger of these directorates into the Transport Canberra and City Services Directorate (TCCS) involved detailed planning involving employee engagement, budgeting, governance, internal communications and updating corporate systems across Information and Communication Technology (ICT), human resources, and finance.</p> <p>Overall, the creation of TCCS was successful with a significant amount of pre-work and planning allowing for a well planned and trouble free operationalisation of the new Directorate on 1 July. Work is continuing in a number of areas, including ICT, governance and the identification of suitable accommodation for the combined TCCS.</p>
<p>RECOMMENDATION 131</p> <p>The Committee recommends that Transport Canberra and City Services Directorate ensures that portable and attractive items are listed on internal registers.</p>	<p>Agreed.</p>
<p>RECOMMENDATION 132</p> <p>The Committee recommends that the Minister who is responsible for the allocation in the Budget be the Minister to appear before the Estimates Committee to answer questions on that allocation.</p>	<p>Agreed.</p>
<p>RECOMMENDATION 133</p> <p>The Committee recommends that light rail receives its own budget output within the Transport Canberra Output.</p>	<p>Noted. The establishment of Transport Canberra was undertaken to ensure that light rail is integrated into the delivery of public transport services across Canberra. The Government will ensure that the reporting remains clear and transparent. For example, the reporting of Output Class 1 – Transport Canberra, in the 2016-17 Budget Papers includes a specific section for Light Rail and includes three accountability indicators and targets for delivery in 2016-17. Further, it is noted that the majority of light rail funding in 2016-17 is capital expenditure.</p>
<p>RECOMMENDATION 134</p> <p>The Committee recommends that the ACT Government completes a detailed business case and staging analysis before committing to further stages of light rail.</p>	<p>Noted.</p>
<p>RECOMMENDATION 135</p> <p>The Committee recommends that the ACT Government provide advice to the ACT Legislative Assembly on the removal of trees on Northbourne Avenue by the last sitting day in August 2016.</p>	<p>Agreed in principle. The majority of tree removal will occur during 2017.</p> <p>There is a staged tree replacement strategy planned for Northbourne Avenue as part of the light rail project works. A detailed reconciliation of the period between removal and replacement of trees is currently underway to determine that no section of the corridor would be without trees for more than approximately 6 months.</p> <p>New plantings within the Northbourne median will be of <i>Eucalyptus mannifera</i> species. There will be more trees in the median of Northbourne Ave following the construction of light rail than exist currently.</p>

Recommendation	Action and status
<p>RECOMMENDATION 136</p> <p>The Committee recommends that the relevant Minister inform the ACT Legislative Assembly by the last sitting day in 2016 on plans to reduce the impact of drying pads for gross pollutant traps on nearby residents and options for moving the drying pads to the Mitchell or Mugga Lane Resource Management Centres.</p>	<p>Agreed in principle. The Government has an ongoing program of work in its Capital Upgrades Program to improve facilities at gross pollutant traps to reduce impacts on surrounding residents. Since 2015, the program has seen improvements implemented at nine locations. During 2016-17, measures, valued at around \$250,000, such as perimeter fencing, plant screening, access track upgrades, general maintenance and improved pollution control will be implemented at 3 or 4 additional locations.</p> <p>The Mitchell Resource Management Centre has been found unsuitable for use as a gross pollutant trap (GPT) drying pad. TCCS will be investigating the feasibility of moving GPT drying pads to the Mugga Lane Resource Management Centre. This option will be explored with the landfill site operator at Mugga and in consultation with the Environment Protection Authority.</p>
<p>RECOMMENDATION 137</p> <p>The Committee recommends that the ACT Government outline if and when Nudurr Drive will be constructed and extended to Gungahlin Drive.</p>	<p>Agree in principle. Currently a project to extend Nudurr Drive to Gungahlin Drive is identified as a project in the Roads ACT 5-10 year major indicative program. This program is reviewed on an annual basis and advice is provided to the ACT Government on road infrastructure requirements through the budget process.</p>
<p>RECOMMENDATION 138</p> <p>The Committee recommends that the ACT Government consult with the community and green waste management sector during the green waste trial and subsequent evaluation.</p>	<p>Agreed in principle.</p>
<p>RECOMMENDATION 139</p> <p>The Committee recommends that the ACT Government report publicly on the outcome of the solar bin trial as soon as possible after the conclusion of the trial.</p>	<p>Agreed. The solar bin trial commenced on 2 June 2016 and will be conducted over a 12 month period. A report on the solar bin trial will be made publicly available as soon as possible after that period.</p> <p>The solar bins were trialled in three public sites in Kingston, Campbell and Wright. The units improved efficiency, holding up to 30 per cent more than existing 240 litres bins. They also provided real time data for collection efficiency through the use of sensor technology. Throughout the trial, challenges included jamming (approximately every two weeks) in the high-use Kingston site, and repairs were difficult to undertake and often required a specialised technician. The bins caused some ergonomic hazards and the cost of the purchase and repairs of the bins was significantly higher than standard bin shrouds and bins. Based on the whole of life costs of compared to the standard 240 litre bin and shroud, it is more cost effective and efficient to increase the provision of standard bins to reduce bin emptying frequency. However, it is recommended that the sensor technology be trialled in low use locations to improve efficiency.</p>
<p>RECOMMENDATION 140</p> <p>The Committee recommends that the ACT Government consult the ACT community before any other sites are identified for a solar bin.</p>	<p>Noted.</p>
<p>RECOMMENDATION 141</p> <p>The Committee recommends that the ACT Government provide advice to the ACT Legislative Assembly on the priority list for shopping centre upgrades by the last sitting day of 2016.</p>	<p>Agreed in principle. The priority list for shopping centres is currently being developed but will not be available by the last sitting day of 2016.</p> <p>This has been completed. An extract from the Shopping Centre Feasibility Study was provided in late 2016.</p>

Recommendation	Action and status
RECOMMENDATION 142 <p>The Committee recommends that Capital Linen provide financial statements in the same way as other government-owned commercial entities.</p>	Noted.
RECOMMENDATION 143 <p>The Committee recommends that the ACT Government consider trialling a rapid bus service between Gungahlin and Tuggeranong via Belconnen Town Centre.</p>	Noted.
RECOMMENDATION 144 <p>The Committee recommends that the Minister for Transport and City Services table in the ACT Legislative Assembly, within two years, a plan for the Territory's long term burial needs, including an indicative timetable for work on a Southern Memorial Park and the intended source of funding for that work.</p>	Noted. The Government supports the development of appropriate burial options in Southern Canberra in the longer term. The extension to Woden Cemetery, now in progress, will allow sufficient time to set a long-term plan in place.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.

B.4 - RISK MANAGEMENT

TCCS's approach to risk management consisted of the identification and treatment of risks at all levels of the directorate. TCCS identified and managed risk through the application of the Risk Management Framework and Risk Management Plan which are based on Australian and New Zealand Risk Management Standards (AS/NZS 31000:2009).

Risk management within the directorate was overseen by TCCS Executive, monitored by the TCCS Internal Audit Committee, and supported by:

- > risk treatment plans formulated at enterprise, divisional and business unit levels;
- > project plans;
- > internal audit and compliance programs;
- > work health and safety and security risk assessments; and
- > emergency management and business continuity plans.

TCCS began trialling an electronic enterprise risk management system in late 2016-17. The system was capable of monitoring identified risks, as well as reporting and the analysis of trends and treatments.

TCCS was supported by Risk Managers from the ACT Insurance Authority and worked collaboratively to ensure the Risk Management Framework and supporting documents met relevant guidelines. Corporate membership of the Risk Management Institute of Australia ensured TCCS stayed up-to-date with risk management practices across a range of industries.

Risk management training across TCCS assisted with ensuring that there was consistent, appropriate application of the Risk Management Framework, and assisted in increasing risk management maturity across the organisation. Training was accessed by staff through the ACT Government training calendar, TCCS's Project Management Community of Practice and by the ACT Insurance Authority.

In the reporting period:

- > 34 staff attended an Introduction to Risk Management facilitated by the ACT Insurance Authority; and
- > a further ten staff also participated in a strategic risk workshop tailored for senior executives of the organisation.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.



B.5 - INTERNAL AUDIT

The internal audit function within TCCS was overseen by a Chief Audit Executive and administered by a designated TCCS Audit Manager. The Audit Committee was an integral part of the internal audit function and reported to the Director-General on the governance, risk and internal control environment. The Audit Committee oversaw the development and implementation of an 18-month strategic internal audit plan and the 2016-17 audit work plan. Both plans used a risk-based methodology to identify and prioritise areas of strategic and operational risk.

TCCS internal audit activities were conducted through the ACT Government's whole of government internal audit services panel contract which includes performance, compliance and information technology categories. Seven internal and external audits were presented during 2016-17 to the Audit Committee for consideration. This included two performance audits, two compliance audits and three audits by the ACT Auditor-General.

During 2016-17, two separate audit committees (Territory and Municipal Services Directorate and Capital Metro Agency) were consolidated into one with six members: an independent external chair, two internal executive staff members, and three independent members external to ACT Government. The Audit Committee met four times during the reporting period to discuss performance/compliance audits and three times to discuss financial statements. In addition, the TCCS Audit Committee Charter and Internal Audit Charter were endorsed by the Audit Committee and approved by the Director-General.

TABLE 9: TCCS AUDIT COMMITTEE MEMBERSHIP

Name of Member	Position	Meetings eligible to attend	Meetings attended
Will Laurie	Independent External Chair	7	7
Ken Moore	Independent External Member	7	7
Glenys Roper	Independent External Member	7	6
Cathi Moore	Independent External Member	6	5
Brendan McAvoy	Internal Executive Staff Member (from November 2016)	3	3
Daniel Childs	Internal Executive Staff Member (from November 2016)	3	3
Previous members			
Vanessa Little	Internal Executive Staff Member (until August 2016)	3	2
Cherie Hughes	Internal Executive Staff Member (outgoing as member; role changed to advisor from August 2016)	1	1

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.

B.6 - FRAUD PREVENTION

The *ACTPS Integrity Policy* sets the whole of government direction on the promotion of integrity in the ACTPS. The *Public Sector Management Standards 2006* details the formal responsibilities of agencies to promote integrity and to control fraud and corruption.

Fraud control arrangements were overseen by the Senior Executive Responsible for Business Integrity Risk (SEBRIR) and monitored by TCCS's Internal Audit Committee. The SERBIR was supported by an advisory panel consisting of the Human Resources Director, Agency Security Advisor and a Senior Legal Officer. The advisory panel met regularly and examined the mechanism for prevention, detection and reporting. Suspected fraud and corruption cases were monitored and actioned by the advisory panel.

The *TCCS Fraud and Corruption Prevention Plan 2017-19* provided a framework aimed at enhancing integrity, reducing the risk of fraud and corruption, and assisting our staff to make decisions in the reporting of fraud, corruption and other ethical matters.

Prevention and detection measures included:

- > raising the general awareness of staff by participation in the TCCS induction program and targeted training for areas identified as high risk;
- > promoting ethical and proper conduct through staff updates on the TCCS intranet;
- > conducting a comprehensive internal audit program to address issues of business integrity risk; and
- > risk assessments based on formal and informal information sources.

During the year, 117 employees participated in the Fraud and Ethics Awareness Program and a further 147 employees received an overview of fraud and ethics as part of their induction training.

As a result of proactive reporting and review mechanisms within TCCS, five instances of alleged fraudulent behaviour were reported during the financial year.

TABLE 10: INCIDENTS OF REPORTED FRAUD

No.	Allegation	Outcome
1	Misuse of government property by employees	A review was conducted and it was determined that the allegation was found to be unsubstantiated.
2	Coercion of employees by a supervisor for personal gain	A review was conducted and it was determined that there was no fraud or corruption demonstrated. The matter was referred to Human Resources as a potential misconduct matter.
3	Misuse of position to influence an outcome	A review was conducted and it was determined that the allegation was unfounded.
4	Misuse of government property by employees	This matter is currently being reviewed by the SERBIR.
5	Misappropriation of public monies	A review was conducted and it was determined that the allegation was unfounded.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.

B.7 - WORK HEALTH AND SAFETY

With a diverse range of working environments across the ACT, TCCS strived to develop a culture that supports 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 policies and frameworks.

Work Health and Safety (WHS) issues were monitored and managed through branch and divisional consultation structures and the directorate's network of 51 Health and Safety Representatives (HSRs) well as local Health and Safety Advisors (HSAs).

FIGURE 13: TCCS WORK, HEALTH AND SAFETY CONSULTATIVE STRUCTURE.

Consultative Process
Work Group Consultation
Local Health and Safety Consultation
Divisional Health and Safety Consultation
Workplace Health and Safety Steering Committee

The Workplace Health and Safety Steering Committee (WHSSC) met quarterly and reported to the TCCS Executive. The WHSSC comprised Deputy Directors-General, Executive Directors, Directors, Senior Managers, HSRs and Safety and Wellbeing Advisors embedded across the organisation.

Key activities undertaken:

- > review of divisional reports on WHS activities and initiatives, incidents and updates to the Emergency Control Organisation;
- > oversight of TCCS Emergency Planning Committees;
- > implementation of whole of ACTPS policies in TCCS; and
- > oversight of, and leadership in the development of a Safety Management System (SMS) for TCCS. The SMS progressed to an approved manual, SMS project plan, and development of a number of management procedures.

Safety and Wellbeing Advisors were embedded in several business units to assist managers and HSRs on business unit health and safety issues and to drive health and safety initiatives.

Examples of safety and wellbeing initiatives undertaken include:

- > development and implementation of a pre-start daily safety briefing to raise awareness of WHS and to assist in the prevention of workplace accidents;
- > Roads ACT Health Future Program which promotes healthy lifestyle choices;
- > Transport Canberra buses safety review;
- > improved reporting functions and development of safety performance metrics;
- > development and implementation of a 'Transport Canberra buses strains and sprains' prevention video for drivers; and
- > realignment of the Transport Canberra consultative committee structure to include light rail and other key changes due to machinery of government changes related to the formation of TCCS.

The TCCS Emergency Management Plan is maintained by the TCCS Executive who were responsible for coordinating a quick response to critical incidents through the review of Business Continuity Plans. Employees are updated on safety procedures via internal communications, toolbox talks and promotional print materials, as well as information available on the TCCS intranet.

An independent contractor provides TCCS's Employee Assistance Program (EAP) offering professional and confidential counselling services to all employees and their immediate families. Employee assistance services are regularly promoted through emails and posters with information also available on our intranet. This year the EAP provider scheduled 127 face to face appointments as well as 40 telephone counselling sessions with personal issues accounting for 78 per cent of contacts and the balance (22 per cent) were work related.

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

ACCIDENT INCIDENT REPORTING

During 2016-17 there were 670 reported workplace accidents or incidents across TCCS and of those seven required notification to WorkSafe ACT in accordance with Part 3, Section 38 of the *Work Health and Safety Act 2011*. No formal enforcement action (i.e. prosecution or statutory enforcement action) was taken by WorkSafe in relation to the incidents notified. TCCS performance against the Australian Work Health and Safety Strategy 2012-2022 targets are reported in the following tables.

TABLE 11: TARGET 1 – REDUCE THE INCIDENCE RATE OF CLAIMS RESULTING IN ONE OR MORE WEEKS OFF WORK BY AT LEAST 30 PER CENT

Financial year	# new 5 day claims	Rate per 1,000 employees	TCCS Target	ACTPS # new 5 day claims	ACTPS Rate per 1000 employees	ACTPS Target
2012 - 13	34	18.95	26.42	274	13.42	12.08
2013 - 14	48	26.80	25.61	257	12.20	11.70
2014 - 15	41	23.19	24.79	229	10.49	11.33
2015 - 16	26	14.42	23.97	205	9.36	10.96
2016 - 17	40	24.35	23.16	243	10.91	10.58

Data in the above table demonstrates deterioration in the number of claims reaching five days off work. This corresponds with an increase in the number of claims received by the directorate in 2016-17 over the previous financial year.

TABLE 12: TARGET 2 – REDUCE THE INCIDENCE RATE OF CLAIMS FOR MUSCULOSKELETAL DISORDERS (MSD) RESULTING IN ONE OR MORE WEEKS OFF WORK BY AT LEAST 30 PER CENT

Financial year	# new 5 day MSD claims	Rate per 1000 employees	TCCS Target	ACTPS # new 5 day MSD claims	Rate per 1000 employees	ACTPS Target
2012 - 13	27	15.05	19.08	183	8.96	8.29
2013 - 14	31	17.31	18.49	175	8.31	8.03
2014 - 15	32	18.10	17.90	144	6.63	7.78
2015 - 16	21	11.65	17.31	146	6.67	7.52
2016 - 17	22	13.39	16.72	150	6.72	7.26

The above table demonstrates a sound result in relation to musculoskeletal claims. It is substantially better than the directorate target. TCCS is a physical and operational workplace and the risk of musculoskeletal injury is an area of specific focus for our safety and wellbeing team.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.

B.8 - HUMAN RESOURCE MANAGEMENT

TCCS programs are designed to attract, build and retain a competent, resilient and diverse workforce capable of delivering a wide range of services. TCCS is focused on building a positive, safe and inclusive workplace culture aligned to TCCS values and continued to build capability across the directorate.

TCCS continued to promote and educate all employees on the values and expected behaviours of the *Respect, Equity and Diversity Framework* (RED Framework). Training was provided in understanding RED and the Code of Conduct, disability awareness, diversity and dealing with workplace behaviours. RED Contact Officers continued to be the first point of contact for employees experiencing difficulties at work, providing information on processes and available support services. RED Contact Officers also assisted in the promotion of nationally recognised days supporting diversity and inclusion.

TCCS has implemented a range of employment strategies aimed at attracting and retaining Aboriginal and Torres Strait Islander peoples and people with disabilities. Some of the strategies include awareness training, establishing identified positions, promoting large annual recruitment drives to specific diversity groups and funding for a diversity scholarship aimed at building capability and supporting career progression. One Indigenous employee has been awarded a scholarship in 2017.

TCCS launched its first RAP in September 2016. The RAP outlines practical strategies relating to our employment and retention of Aboriginal and Torres Strait Islander peoples as well as activities to support education and awareness of Aboriginal and Torres Strait Islander cultures and history both within our organisation and outward through our work with the community. For a more comprehensive overview of RAP progress refer to Section B1 - Aboriginal and Torres Strait Islander reporting on page 11.

Entry level programs are an important workforce planning and development strategy. During 2016-17, TCCS employed 35 apprentices in the fields of horticulture and heavy vehicle diesel mechanics. Eight apprentices were recruited during 2016-17 and another seven completed their apprenticeships with two permanently appointed and two transitioning to permanent trade positions.

This year, TCCS participated in the ACTPS Indigenous and Inclusion Traineeship Programs. Three Indigenous trainees were recruited in the areas of horticulture, administration and road maintenance. Three trainees with a disability were recruited in Transport Canberra and one in Strategy, Innovation and Customer Experience with an aim to provide them with experience in a variety of roles. Our 2015-16 Indigenous Community Bus trainee was awarded ACT Aboriginal and Torres Strait Islander Student of the Year at the 2016 ACT Training Awards.

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. TCCS hosted five ASBAs with one successfully completing the program during 2016-17. Work experience opportunities were also provided to numerous ACT high school and college students.

To build capability for the future, TCCS employed two graduates in the City Services division and the Strategy, Innovation and Customer Experience division as part of the 2017 ACTPS Graduate Program. In December 2016, three graduates from Roads ACT, Communications and Asset Information Group successfully completed the ACTPS Graduate Program and were permanently appointed. In July 2016, Finance, Public Transport and Customer Engagement each engaged an intern through the ANU College of Business and Economics Internship Program.

TCCS provided an opportunity to acknowledge and celebrate the achievements of individuals and teams in categories aligned to the vision and values of the directorate. This year, the nomination process for the Director-General awards was open to all TCCS employees, other ACT public servants, and members of the community. Award winners were recognised at a ceremony held in June 2017.

Learning and Development

A range of training programs were delivered in 2016-17 with a focus on creating and maintaining inclusive and respectful workplaces and building the capability of executives, middle managers and field-based employees.

This year, TCCS Executives participated in a series of workshop sessions to solidify the change work undertaken during the formation of the directorate on 1 July 2016. Work continues to be undertaken to further strengthen and sustain leadership capability and establish an increasingly high performance culture.

TCCS Executives also participated in the ACTPS Executive Development Program titled Leaders Leading Learning. The aim of the program is to build an executive cohort where they are encouraged to lead learning in their workplace. The program focussed on leading innovation, engaging with risk and leading transformational change.

TCCS is developing a Manager Capability Framework for senior managers aligned to TCCS values and the ACTPS Capability Framework. The Framework will provide a tool for communicating expectations about skills, capabilities and behaviours that are required of TCCS managers to deliver business objectives now and into the future. The Framework will inform a range of strategic human resource planning activities including recruitment, performance management and succession planning.

Ensuring the safety and competence of our field based employees is a high priority for TCCS. A wide variety of competency based training programs, including courses such as temporary traffic management, asbestos awareness, chainsaw operation and chemical safety were provided to support the development and maintenance of practical skills required by employees to undertake their role. TCCS continued to review the training made available to employees to ensure currency and relevance for the varied tasks undertaken.

WHS training continued to be made available to all employees to build their knowledge and understanding of legislative requirements and promote the development of a workplace culture that values safety.

TCCS delivered disability awareness training to support the implementation of employment strategies for people with disability. This training is designed to build confidence across TCCS to effectively employ, support and manage individuals with disability and to foster an inclusive workplace. TCCS has also appointed an executive champion for people with disability to promote the business benefits of employing people with disability.

Aboriginal and Torres Strait Islander Cultural Awareness training was delivered to 116 employees and will continue to be offered to all employees through the TCCS Training Calendar. This training is mandatory for all executives and managers in TCCS and has been significant in the development and implementation of the TCCS RAP and Diversity Employment Strategies.

Study assistance was provided to 23 employees across TCCS in areas mutually beneficial to themselves and their workplaces at a total cost of \$17,026.36.

A further 124 employees completed a range of other training courses available through the ACTPS Training Calendar at a total cost of \$41,309.70. This included training in Health and Safety Representative Training; Introduction to Government Procurement; Persuasive Communication; Writing for Government – Briefs; and the use of various Microsoft packages.

Human Resources concentrates on the design and implementation of consistent best practice employee relations frameworks, and policies and procedures within the directorate. The unit provides a customer service role delivering up-to-date advice to the directorate's employees on issues ranging from employees rights and responsibilities under the various agreements and the *Public Sector Management Act 1994*.

Support and guidance is also provided to address and monitor under-performance in the workplace, disciplinary action, internal reviews and appeals, machinery of government procedures, and other complex employment issues.

Attraction and Retention Incentives (ARins)

As at 30 June 2017, TCCS had six individual ARins. No ARins were entered into during the year and five were terminated, of which two were due to staff leaving the directorate, two were due to promotion, and one was due to the employee moving to another directorate through a machinery of government arrangement.

TCCS has no existing Australian Workplace Agreements (AWAs).

TABLE 13: ATTRACTION AND RETENTION INCENTIVES (ARINS) CLASSIFICATIONS

	Classification range	Remuneration at 30 June 2017
Individual and group ARins	SOB – SOA	\$143,197 - \$162,143
	I03	\$122,536

Note: TCCS has no privately plated vehicles as at 30 June 2017 and no employees have transferred from AWAs during the period.

TABLE 14: ATTRACTION AND RETENTION INCENTIVES (ARINS)

Description	Number of individual ARins (A)	Number of group ARins (B)	Total employees covered by group ARins (C)	Total (A)+(B)+(C)
Number of paid ARins at 30 June 2017	6	Nil	Nil	6
Number of ARins transferred from Special Employment Arrangements (SEAs) in the period	Nil	Nil	Nil	Nil
Number of ARins entered into during reporting period (excluding pre-existing)	Nil	Nil	Nil	Nil
Number of ARins terminated during reporting period	5	Nil	Nil	5
The number of ARins providing for privately plated vehicles as at 30 June 2017	Nil	Nil	Nil	Nil
The number of ARins or employees who have transferred from AWAs during the period	Nil	Nil	Nil	Nil

Staffing Profile

TCCS had 1,711.4 full-time equivalent (FTE) employees as at 30 June 2017. The following tables provide a breakdown of staff by classification, employment category, average length of service and age profile.

TABLE 15: STAFFING PROFILE

FULL-TIME EQUIVALENT AND HEADCOUNT BY DIVISION

Division	FTE	Headcount
Chief Operating Officer	100	103
City Services	637.7	688
Office of the Director-General	3	3
Transport Canberra	920.1	1,037
Strategy, Innovation and Customer Experience	50.6	51
Total	1,711.4	1,882

FULL-TIME EQUIVALENT AND HEADCOUNT BY GENDER

	Female	Male	Total
FTE by gender	393.7	1,317.7	1,711.4
Headcount by gender	448	1,434	1,882
Percentage of workforce	23.8 %	76.2 %	100.0%

HEADCOUNT BY CLASSIFICATION AND GENDER

Classification group	Female	Male	Total
Administrative Officers	174	102	276
Bus Operator	69	647	716
Capital Linen Service Officers	28	30	58
Executive Officers	9	22	31
General Service Officers and Equivalent	45	383	428
Professional Officers	24	28	52

Classification group	Female	Male	Total
Senior Officers	80	115	195
Technical Officers	9	44	53
Trainees and Apprentices	6	22	28
Transport Officers	4	41	45
TOTAL	448	1,434	1,882

HEADCOUNT EMPLOYMENT CATEGORY BY GENDER

	Female	Male	Total
Casual	47	76	123
Permanent Full-time	262	925	1,187
Permanent Part-time	97	264	361
Temporary Full-time	40	163	203
Temporary Part-time	2	6	8
TOTAL	448	1,434	1,882

] HEADCOUNT BY DIVERSITY* GROUP

	Headcount	Percentage of staff
Aboriginal or Torres Strait Islander	39	2.1%
Culturally and linguistically diverse	472	25.1%
People with disability	63	3.3%

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

HEADCOUNT BY AGE GROUP AND GENDER

Age Group	Female	Male	Total
Under 25	13	52	65
25-34	88	188	276
35-44	128	332	460
45-54	119	417	536
55 and over	100	445	545

AVERAGE LENGTH OF SERVICE BY GENDER

Gender	Female	Male	Total
Average years of service	8.2	10	9.6

PERMANENT RECRUITMENT AND SEPARATION PERCENTAGE RATES BY DIVISION

Division	Recruitment Rate	Separation Rate
Chief Operating Officer	11.8%	9.4%
City Services	10.1%	6.1%
Office of the Director-General	0.0%	0.0%

Division	Recruitment Rate	Separation Rate
Transport Canberra	3.5%	1.7%
Strategy, Innovation and Customer Experience	9.0%	6.7%
Total	6.2%	7.2%

PERMANENT RECRUITMENT AND SEPARATION RATES BY CLASSIFICATION GROUP

Classification Group	Recruitment Rate	Separation Rate
Administrative Officers	17.4%	8.4%
Bus Operator	10.1%	6.5%
Capital Linen Service Officers	0.0%	5.2%
General Service Officers and Equivalent	12.2%	7.8%
Professional Officers	8.1%	6.0%
Senior Officers	12.2%	9.7%
Technical Officers	0.0%	2.1%
Trainees and Apprentices	0.0%	0.0%
Transport Officers	0.0%	7.1%
TOTAL	6.2%	7.2%

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

PERMANENT RECRUITMENT AND SEPARATION RATES - EXECUTIVE

Classification Group	Recruitment Rate	Separation Rate
Executive Officers	43.6%	25.4%

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.



B.9 - ECOLOGICALLY SUSTAINABLE DEVELOPMENT

TCCS delivered many services to the Canberra community that contributed to the environmental footprint of the ACT Government in 2016-17. Under the ACT Government Carbon Neutral Framework (the Carbon Neutral Framework), all ACT Government directorates are required to work towards becoming operationally carbon neutral² by 2020. During 2016-17, TCCS held representation on the Carbon Neutral Implementation Committee, contributing to a whole of government approach in delivering on the Framework.

The TCCS Sustainability Program and TCCS Sustainability Working Group continued to integrate economic, social and environmental considerations in decision-making processes across TCCS in accordance with the Carbon Neutral Framework and the *Climate Change and Greenhouse Gas Reduction Act 2010*. This included development of the TCCS Resource Management Plan 2016-18 with 16 actions under focus areas of stationary energy, transport energy, water, waste and procurement; and TCCS Carbon/Energy Budget 2016-17 (Carbon Budget) with a target of one per cent reduction in stationary energy set for 2016-17³.

Highlights for 2016-17

TCCS achieved a two per cent reduction in stationary energy, compared with 2015-16. This reduction was contributed to by LED lighting upgrades and heating, ventilation and air conditioning improvements at key sites including Capital Linen Services, City Services depots, Libraries ACT and Tuggeranong and Belconnen Bus Depots. Capital Linen Services reduced electricity consumption by three per cent despite demand increasing during 2016-17. This was contributed to by an LED lighting upgrade undertaken with ACT Property Group in 2015-16.

TCCS continued to encourage the ACT community to walk or ride a bike to get from A to B. Programs implemented to achieve this included the inaugural Canberra Walk & Ride Week comprising the ACTiveLog Smartphone app; Park & Pedal; presence at Walk & Ride to Work Days 2016 and through an improved online presence.

Communications considered the sustainable use of resources, with a view to digitalisation of information as much as practicable.

The Actsmart Business Recycling Program continued to improve waste management for TCCS operations with 41 per cent of sites assessed and six per cent accredited at the end of 2016-17.

Fleet management carried out successful trials to improve efficiency and productivity during the year. This included a Global Navigation Satellite System on the mowing fleet and more efficient machinery for turf management on sports grounds. A new plug in hybrid vehicle was introduced to the TCCS pool car fleet to reduce carbon emissions for the directorate and in December 2016, two electric bikes were introduced, with 73 staff members inducted and 844 kilometres travelled at the end of June 2016.

ACTION commenced planning and procurement for an alternative fuels bus trial. This trial will compare the performance and sustainability of electric and hybrid buses to the existing diesel fuel bus fleet. The bus fleet replacement program continued, ending the reporting period with 56 per cent of in-service fleet Euro V or better emission standard compliant.

TCCS worked on a seven year Energy Performance Contract for the operation, maintenance and upgrade of the streetlight network. A significant proportion of the network will be upgraded to LED, where electrical wiring work will be compliant with AS/NZS:3000 (earthing) current standards. The upgrade of the network will further include the introduction of a Smart Control Management System that will detect defects and enable an even faster response to required maintenance.

Roads ACT recycled asphalt millings into new asphalt and continued to resurface roads using recycled materials, such as printer toner and recycled road pavements for a low carbon asphalt mix.

The Stormwater Value Capture project was commissioned during 2016-17 and continued to look at ways to optimise the street sweeping program.

² The ACT Government aims to become carbon neutral on a 'net' basis. This means that while some residual emissions may be produced each year, they will be fully balanced by the purchase of carbon offsets, which are projects that reduce emissions.

³ Compared with benchmark calendar year 2015

The Inner North Reticulation Network, which is Canberra's first neighbourhood-scale stormwater harvesting and managed aquifer recharge system, remotely managed through the use of the Supervisory Control and Data Acquisition system commenced during 2016-17. This allows for continued monitoring of the network reducing the need for resourcing on the ground until it is needed. Furthermore the managed aquifer has a capacity to store up to 500 megalitres of non-drinking water per year for irrigation and construction purposes. End users have been enjoying utilising this water over the summer months for irrigation.

ACT NOWaste continued work to expand the Mugga Lane landfill to provide safe and environmentally responsible disposal options for around 30 per cent of the ACT's waste and to extend the landfill capacity to 2023.

ACT NOWaste will manage the progressive rehabilitation of the West Belconnen Resource Management Centre before its closure and subsequent transfer to the Ginninderry development in 2020.

Other waste initiatives are discussed in this report in Section B.2 Performance Analysis for Output class 2.3 – waste and recycling.

Harvesting landfill methane continued from the landfills at Mugga Lane and West Belconnen generating enough electricity to supply over 3,400 homes.

The ACT Waste Feasibility Study was established in 2015-16 and is finalising recommendations to Government around new waste infrastructure, services and complementary regulatory interventions so that waste management in the Territory is best practice.

Capital works projects aimed to apply ecologically sustainable development principles where possible including trees and plantings; greater areas of permeable paving that allows for absorption of stormwater on site; and new or upgraded lighting installations. Projects also sought to reuse/recycle items where feasible and to find suppliers of furniture or other landscape materials as close to site as possible to reduce transport emissions.

Over the last two years Canberra Cemeteries has been working on reducing its potable water usage for irrigation at Gungahlin Cemetery. Prior to the new system which uses a combination of water from bore, surface and the Flemington Ponds aquifer bank facility about 14 megalitres of potable water was used annually. In 2016-17 this was reduced to 0.5 megalitres.

Through the development and implementation of the WEED IT unit, TCCS has reduced the time taken to deliver the kerb and gutter weed control program by more than 400 per cent. The vehicle mounted unit uses an optical sensor controlled droplet applicator that targets the green pigment (chlorophyll) in plants and is used to control weeds in kerbs and gutters along arterial roads.

The WEED IT unit is broad acre agricultural technology that has been modified and designed for use in the urban environment. It significantly reduces herbicide costs, improves public and operator safety and risk to the environment by accurately applying calibrated herbicide preventing product wastage and overspray.

Urban Treescapes worked cooperatively with the Parks and Conservation Service to divert more than 800 tonnes of log bi-product from urban tree management operations for use in the Molonglo River Reserve (Barrar Hill).

The light rail project continued with the design and construction phase during 2016-17. The project explored and incorporated a number of innovations to reduce material use and utilise lower-embodied energy materials such as:

- > lower carbon concretes with up to 40 per cent Ordinary Portland Cement replacement and use of recycled water;
- > aggregate alternatives explored and recycled and hard fill used where suitable and available;
- > seeking lower-embodied energy steel where available, including with high recycled content; and
- > CAF, the light rail vehicle manufacturers, have identified that opportunities to reduce emissions associated with manufacturing process are to be explored.

A range of management plans were prepared to guide implementation of environmental and sustainability aspects of the project through detail design and support the construction methodology.

Canberra Metro prepared and publicly released the project Sustainability Policy. This policy stated: "Canberra Metro is committed to using our best endeavours to enhance positive outcomes whilst minimising adverse impacts, resource use and embodied impacts. This will be served by integrating governance, environmental, social and economic sustainability considerations into decision-making at every level of the project."

The project has registered to achieve an Infrastructure Sustainability (IS) Rating through the Infrastructure Sustainability Council of Australia (ISCA). The IS Rating scores projects across a range of categories covering: management and governance; using resources; emissions, pollution and waste; ecology; people and place; and innovation. The project requirements identify that a rating level of “Excellent” is to be targeted for Stage 1 of light rail. During 2016-17, Canberra Metro have utilised the IS Rating framework to develop environment and sustainability strategies and gather the evidence required to support a design rating, for which certification of a rating by ISCA will be sought in the second-half of 2017.

State of Environment Report

TCCS provided an update to the Office of the Commissioner for Sustainability and the Environment (OCSE) on status of actions against recommendations from the State of the Environment Report 2015; update on directorate actions against the 2013-14 audit undertaken by the commissioner; and update on recommendations for completed complaint investigations. These are reported in the OCSE Annual Report.

TABLE 16: SUSTAINABLE DEVELOPMENT PERFORMANCE: CURRENT AND PREVIOUS FINANCIAL YEAR

Indicator as at 30 June	Unit	Current FY	Previous FY	Percentage change
Directorate/ public sector body staff and area				
Directorate/public sector body staff	FTE	1,711	1,627	5.2%
Workplace floor area	Area (m2)	51,228	51,554	-0.6%
Stationary energy usage				
Electricity use	Kilowatt hours	51,497,714	53,001,626	-2.8%
Natural gas use	Megajoules	54,824,246	55,107,080	-0.5%
Diesel	Kilolitres	N/A	N/A	N/A
Transport fuel usage – TCCS Fleet				
Electric vehicles	Number	5	2	150%
Hybrid vehicles	Number	6	3	100%
Other vehicles (that are not electric or hybrid)	Number	332	343	-3.2%
Total number of vehicles	Number	343	348	-1.4%
Total kilometres travelled	Kilometres	4,821,511	4,251,187	13.4%
Fuel use – Petrol	Kilolitres	143	227	-37.0%
Fuel use – Diesel	Kilolitres	1,072	1,292	-17.0%
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	N/A	N/A	N/A
Fuel use – Compressed Natural Gas (CNG)	Cubic Metres (Cm³)	N/A	N/A	N/A
Transport fuel usage – ACTION				
Total number of vehicles	Number	432	432	0.0%
Total kilometres travelled	Kilometres	26,700,829	25,748,207	3.7%
Fuel use – Petrol	Kilolitres	n/a	n/a	n/a
Fuel use – Diesel	Kilolitres	9,907	9,227	7.4%
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	n/a	n/a	n/a
Fuel use – Compressed Natural Gas (CNG)	Cubic Metres (Cm³)	2,089,047	2,425,397	-13.9%
Water usage				
Water use	Kilolitres	353,938	325,436	8.8%

Indicator as at 30 June	Unit	Current FY	Previous FY	Percentage change
Resource efficiency and waste				
Reams of paper purchased	Reams	9,778	9,465	3.3%
Recycled content of paper purchased	Percentage	54	61	-11.6%
Waste to landfill	Litres	2,562,877	222,233	1,053.2%
Co-mingled material recycled	Litres	370,636	159,775	132.0%
Paper & Cardboard recycled (incl. secure paper)	Litres	1,084,369	361,463	200.0%
Organic material recycled	Litres	27,239	20,742	31.3%
Greenhouse gas emissions				
Emissions from stationary energy use	Tonnes CO ₂ -e	31,799	42,342	-24.9%
Emissions from transport	Tonnes CO ₂ -e	37,250	37,025	0.6%
Total emissions	Tonnes CO ₂ -e	69,050	79,367	-13.0%

Notes:

Differences between Enterprise Sustainability Platform sourced data shown above as the total for the previous financial year (2015-16) and that shown in the original 2015-16 Report is due to a variety of sources including updates to agency occupancy and historical consumption data and to annual adjustments to ACT specific electricity emissions factors.

Greenhouse gas emissions for electricity consumption have been calculated using the following emissions factors based on the latest (April 2017) ACT electricity Emissions Factor Report:

- > In 2015-16 a factor of 0.732 kilogram (kg) CO₂-e / kilowatt hour (kWh) or 0.732 tonne CO₂-e / megawatt hour (MWh). This is based on actual historical data and is a retrospective adjustment of -0.041 (5.3 per cent reduction) of the 0.773 factor originally used for 2015-16 annual reporting.
- > In 2016-17 a factor of 0.549 kg CO₂-e / kWh or 0.549 tonne CO₂-e / MWh.

The emissions factors include total GreenPower purchases for the ACT calculated in the third quarter of the respective financial years and are specific to the ACT. These emissions factors (Scope 2 + Scope 3) reflect the increasing contribution of renewable electricity generated under the ACT's 100 per cent Renewable Energy Target (RET). Consequently they are lower than those reported in the latest National Greenhouse Accounts (NGA) Factors.

ACT Property Group purchased 7,700 MWh of GreenPower on behalf of the ACT Government, representing an indicative 5 per cent of the ACT Government's electricity consumption for 2016-17.

Workplace floor area refers to staff accommodation such as office accommodation, staffed depots and heated workshops such as ACTION Belconnen and Tuggeranong workshops, interchange transport site offices. Workplace floor area 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.

Fuel figures for TCCS fleet include all vehicles active through 2016-17 regardless of duration, while total number of vehicles is as at June 2017.

Differences between fleet data sourced in the previous financial year (2015-16) and that in the original 2015-16 report is due to a variety of sources including changes to agency and operating systems. Other vehicles includes passenger and light commercial vehicles, agricultural equipment (eg mowers, tractors, etc), trucks, buses, plant and equipment (eg skid steers, loaders, pavers, elevated work platforms, etc).

Significant differences between waste data in the previous financial year (2015-16) and that in the current financial year (2016-17) relate to improvements in waste data captured through implementation of the Actsmart Business and Office Recycling Program. As there are still sites to be assessed, a further increase in volumes is expected.

Greenhouse gas emissions for electricity consumption have been calculated using emissions factors based on the latest (April 2017) ACT electricity emissions factors report. The factor used for 2015-16 is 0.732 kg CO₂-e / kWh and for 2016-17 is 0.549 kg CO₂-e / kWh. The adjusted factor for 2015-16 is 5.3 per cent lower than that used for the 2015-16 Annual Report. The emissions factors include total GreenPower purchases for the ACT calculated in the third quarter of the respective financial years and are specific to the ACT. These emissions factors (Scope 2 + Scope 3) reflect the increasing contribution of renewable electricity generated under the ACT's 100 per cent RET. Consequently they are lower than those reported in the latest NGA factors.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.



SECTION C

**SECTION C -
FINANCIAL
MANAGEMENT**

C.1 - FINANCIAL MANAGEMENT ANALYSIS

FINANCIAL MANAGEMENT DISCUSSION AND ANALYSIS

TCCS 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.

DIRECTORATE FINANCIAL PERFORMANCE

The following financial information is based on audited financial statements for the 2015-16 and 2016-17 financial years, and the original 2016-17 Budget and the forward estimates contained in the 2017-18 Budget Papers.

Operating result compared to budget

The Directorate's operating result is a deficit of \$75.6 million, which is \$81.8 million lower than the budgeted surplus of \$6.2 million. This variance is largely due to:

- > lower than anticipated Gains arising from the Contribution of Assets (\$17.6 million), mainly due to fewer assets than expected assets transferred from: Land Development Agency (\$34.0 million) and private developers (\$46.0 million), offset by an unbudgeted transfer of assets from the Chief Minister and Economic Development Directorate (\$60.0 million);
- > higher than budget expenditure in Other Expenses (\$61.3 million), mainly relating to the unbudgeted transfer of the Constitution Avenue upgrade works to the National Capital Authority (\$44.8 million), expensing of costs from capital projects that did not meet asset recognition criteria in accordance with Australian Accounting Standards (\$13.2 million), removal of 12 artworks that are currently also recorded on the Chief Minister and Economic Development Directorate's asset register (\$1.3 million), disposal of Materials Recovery Facility equipment (\$0.8 million);
- > higher than budget expenditure in Depreciation and Amortisation (\$12.2 million), mainly relating to the changing of useful lives for ACT NOWaste land cell assets; and
- > higher than budget expenditure in Employee Expenses (\$7.7 million), mainly relating to workers compensation insurance premiums (\$2.0 million), annual leave payments (\$1.8 million), redundancy payments (\$0.9 million), salary and wages (\$3.0 million) due to general increase of 21 full-time equivalent.

Partially offset by increase in:

- > Other Revenue (\$11.3 million), mainly due to unbudgeted Acceptance Fees for Contaminated Waste, Insurance Recoveries and Revenue Received from the Land Development Agency for stormwater remediation works performed by the directorate; and
- > Controlled Recurrent Payments (CRP) (\$7.9 million), predominately due to Special Needs Transport being transferred from the Education Directorate (\$6.5 million) to ACTION.

Net cost of services

Table 17 compares the 2016-17 actual net cost of services to the original budget in table format.

TABLE 17: COMPARISON OF NET COST OF SERVICES TO BUDGET 2016-17

	Original Budget	Actual	Variance	
	\$'000	\$'000	\$'000	%
Expenses				
Employee and Superannuation	69,178	77,898	8,720	12.61%
Supplies and Services	155,538	155,246	(292)	-0.19%
Depreciation and Amortisation	147,450	159,677	12,227	8.29%
Grants and Purchased Services	94,656	99,879	5,223	5.52%
Borrowing Costs	6	7	1	16.67%
Other Expenses	255	61,549	61,294	24,036.86%
Total Expenses	467,083	554,256	87,173	18.66%
Own Source Revenue				
User Charges, Taxes, Fees and Fines	26,373	29,913	3,540	13.42%
Resources Free of Charge	853	1,114	261	30.60%
Interest	-	2	2	100.00%
Other Revenue	671	11,979	11,308	1,685.25%
Total Own Source Revenue	27,897	43,008	15,111	54.17%
Total Net Cost of Services	439,186	511,248	72,062	16.41%

Comparison of 2016-17 actual net cost of services to the original budget

The Directorate's net cost of services for 2016-17 of \$511.2 million was \$72.1 million or 16 per cent higher than the original budgeted cost of \$439.2 million.

Higher than anticipated expenses of \$87.2 million, are mainly due to:

> Other Expenses:

- higher than budget expenditure \$61.3 million, mainly relating to unbudgeted transfer of the Constitution Avenue upgrade works to the National Capital Authority (\$44.8 million), expensing of costs from capital projects that did not meet asset recognition criteria in accordance with Australian Accounting Standards (\$13.2 million), removal of 12 artworks that are currently also recorded on the Chief Minister and Economic Development Directorate's asset register (\$1.3 million), disposal of Materials Recovery Facility equipment (\$0.8 million).

> Depreciation and Amortisation:

- higher Depreciation and Amortisation of \$12.2 million due to the changing of useful lives for ACT NOWaste land cell assets.

> Employee and Superannuation:

- Employee and Superannuation expenses of \$8.7 million mainly relating to workers compensation premiums (\$2.0 million), annual leave payments (\$1.8 million), redundancy payments (\$0.9 million), salary and wages (\$3.0 million) due to general increase of 21 full-time equivalent.

> Grants and Purchased Services:

- higher Grants and Purchased Services of \$5.2 million, mainly due to the Special Needs Transport being transferred from the Education Directorate to ACTION.

Partially offset by increase in:

- > Other Revenue of \$11.3 million mainly due to unbudgeted Acceptance of Contaminated Waste, Insurance Recoveries and revenue received from the Land Development Agency for stormwater remediation works performed by the Directorate; and
- > User Charges revenue, Taxes Fees and Fines of \$3.5 million mainly due to higher land use permit applications received, waste disposal from domestic loads and higher Capital Linen revenue.

Comparison of 2016-17 actual net cost of services to 2015-16

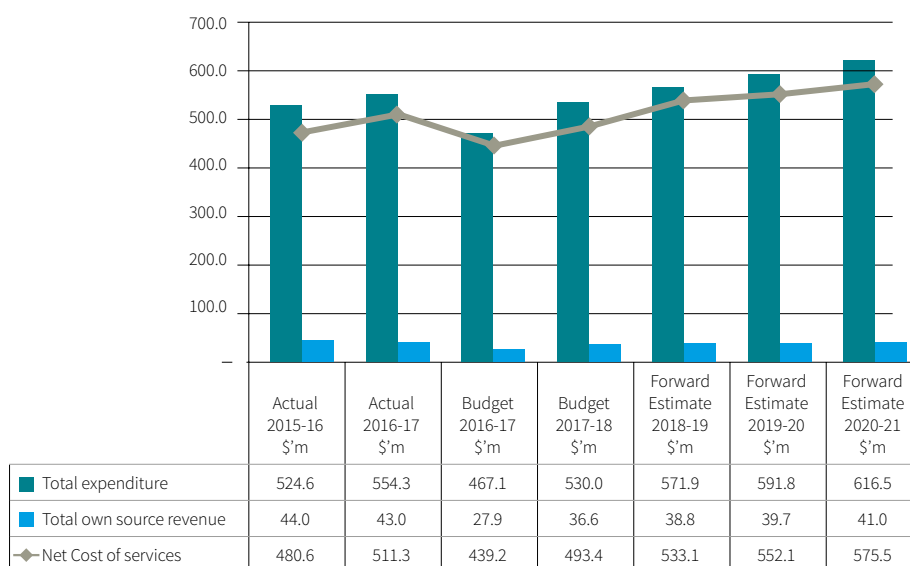
This year's net cost of services was \$30.7 million higher than the previous year, mainly due to transfer of the Constitution Avenue upgrade works to the National Capital Authority (\$44.8 million) offset by lower Employee costs (\$15.2 million) due to transfer of Parks and Conservation to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Future trends

Sportsgrounds management and transport planning functions will be transferred to the Directorate on 1 July 2017 from the Chief Minister, Treasury and Economic Development Directorate and the Environment, Planning and Sustainable Development Directorate respectively.

Figure 14 shows the net cost of services information from 2015-16 to the projected forward years excluding the transport planning function transfer to the Directorate on 1 July 2017. In 2017-18, the Directorate will continue its 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 2017-18, expenses are expected to increase mainly due to the growth in public transport, building a better city, improving liveability and social inclusion through the delivery of high quality services. Both expenses and own source revenue across the forward estimates will largely remain in line with forecast indexation.

FIGURE 14: NET COST OF SERVICES



The financial information in Figure 14 excludes the impact of other gains - asset transfers to the Directorate from the Land Development Agency (Suburban Land Agency from 1 July 2017) and private developers.

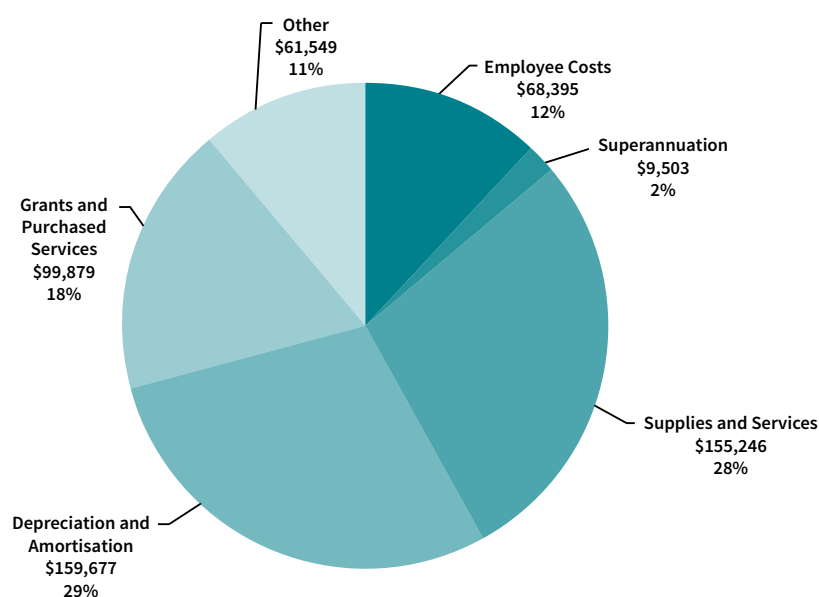
TOTAL EXPENSES

Components of expenses

Figure 15 indicates the components of the Directorate's expenses for 2016-17, with the largest components being Depreciation and Amortisation expenses at 29 per cent (\$159.7 million), Supplies and Services representing 28 per cent (\$155.2 million), Grants and Purchased services representing 18 per cent (\$99.9 million), Employee and Superannuation Expenses representing 14 per cent (\$77.9 million) and Other Expenses at 11 per cent (\$61.5 million).

Supplies and Services payments include Repairs and Maintenance expenditure of \$43.7 million, payments for Professional Services of \$54.6 million, Building and Facilities Operating costs of \$15.3 million, and IT and Communication costs of \$10.5 million.

FIGURE 15: COMPONENTS OF EXPENSES FOR 2016-17



Comparison of 2016-17 total expenses to the original budget

Total expenses of \$554.3 million was \$87.2 million, or 18.7 per cent higher than the 2016-17 original budgeted cost.

This was mainly due to:

- > higher than budget expenditure in Other Expenses (\$61.3 million), mainly relating to unbudgeted transfer of the Constitution Avenue upgrade works to the National Capital Authority (\$44.8 million), expensing of costs from capital projects that did not meet asset recognition criteria in accordance with Australian Accounting Standards (\$13.2 million), removal of 12 artworks that are currently also recorded on the Chief Minister and Economic Development Directorate's asset register (\$1.3 million), disposal of Materials Recovery Facility equipment (\$0.8 million);
- > higher than budget expenditure in Depreciation and Amortisation (\$12.2 million), mainly relating to the changing of useful lives for ACT NOWaste land cells assets;
- > higher than budget expenditure in Employee and Superannuation expenses (\$8.7 million), mainly relating to workers compensation insurance premiums (\$2.0 million), annual leave payments (\$1.8 million), redundancy payments (\$0.9 million), salary and wages (\$3.0 million) due to general increase of 21 full-time equivalent; and
- > higher Grants and Purchased Services of \$5.2 million, mainly due to the Special Needs Transport being transferred from the Education Directorate to ACTION.

Comparison of total 2016-17 expenses to 2015-16

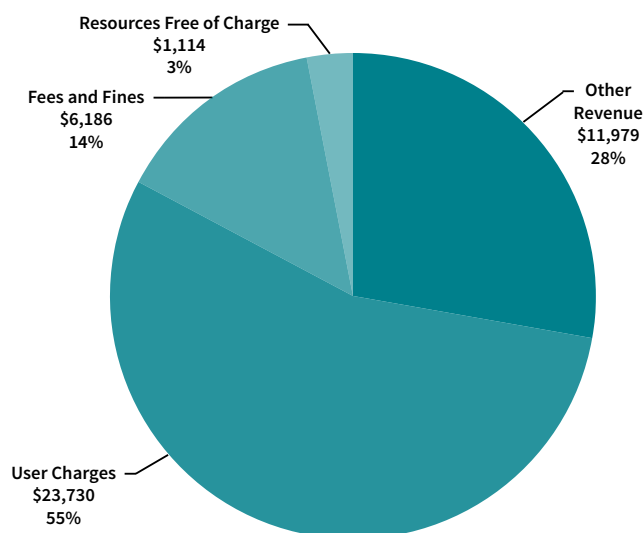
This year's total expenditure was \$29.6 million or 5.7 per cent higher than the previous year. This variance is mainly due to transfer of the Constitution Avenue upgrade works to the National Capital Authority.

TOTAL OWN-SOURCE REVENUE

Components of own-source revenue

Total own-source revenue was \$43.0 million, comprising total User Charges of \$23.7 million (55 per cent), Fees and Fines of \$6.2 million (14 per cent), Resources Received Free of Charge of \$1.1 million (3 per cent) and Other Revenue of \$12.0 million (28 per cent).

FIGURE 16: COMPONENTS OF OWN-SOURCE REVENUE 2016-17



Comparison of 2016-17 own-source revenue to the original budget

Own-source revenue for the year ended 30 June 2017 was \$43.0 million, \$15.1 million or 54.2 per cent higher than the 2016-17 original budgeted of \$27.9 million.

This variance is mainly due to:

- > higher than anticipated Other Revenue of \$11.3 million mainly due to unbudgeted Acceptance Fees for Contaminated Waste, Insurance Recoveries and Revenue Received from the Land Development Agency for stormwater remediation works performed by the Directorate; and
- > higher User Charges revenue, Fees and Fines of \$3.5 million mainly due to higher than expected land use permit applications received, waste disposal from domestic loads and higher Capital Linen revenue.

Comparison of 2016-17 own-source revenue to 2015-16

This year's own-sourced revenue was consistent with prior year.

DIRECTORATE FINANCIAL POSITION - TOTAL ASSETS

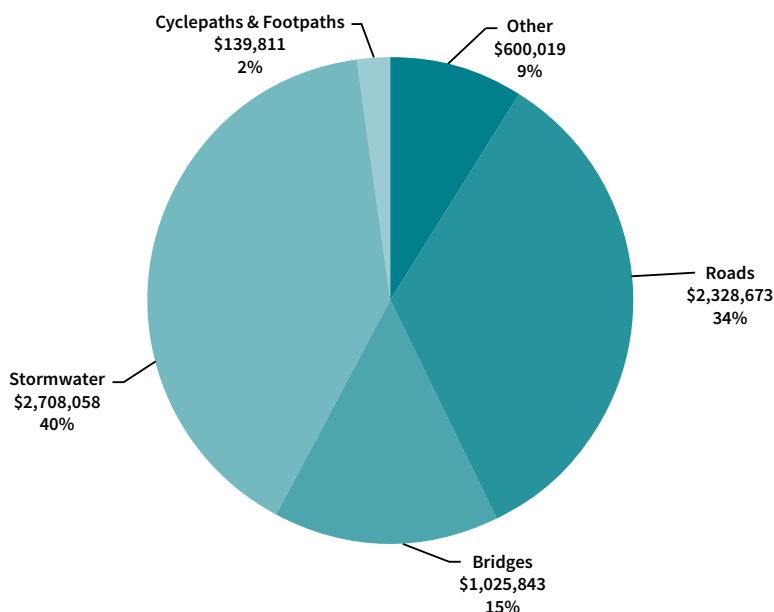
Components of total assets

At 30 June 2017 the Directorate held 98.6 per cent of its total assets of \$9.3 billion in Property, Plant and Equipment (\$9.2 billion).

The major component of Property, Plant and Equipment is infrastructure assets (\$6.8 billion).

Figure 4 indicates that the major categories of infrastructure assets are Stormwater Assets (40 per cent), Roads (34 per cent), Bridges (15 per cent), Cyclepaths and Footpaths (2 per cent) and Other Assets (9 per cent).

FIGURE 17: INFRASTRUCTURE ASSETS AT 30 JUNE 2017



Comparison of total assets at 30 June 2017 to the original budget

The total asset position at 30 June 2017 of \$9.3 billion is in line with 30 June 2017 original budgeted amount.

Comparison of 2016-17 total assets to 2015-16

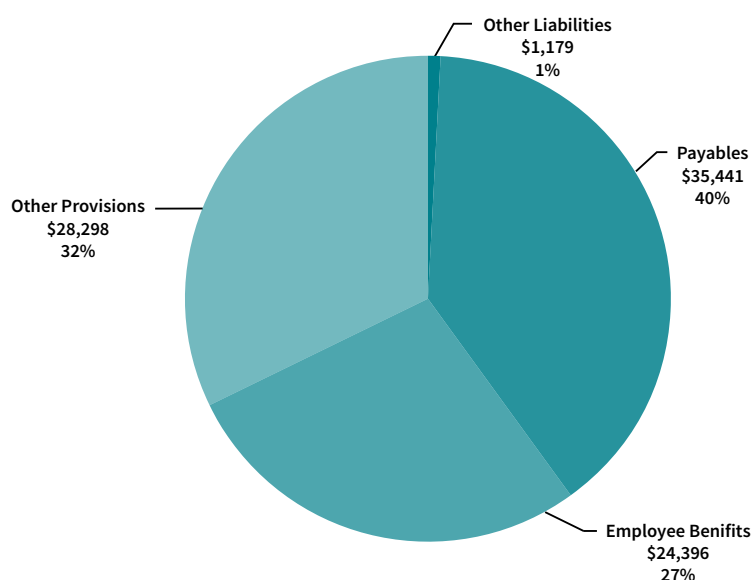
The Directorate's total asset position is \$0.1 billion lower than the previous year's total of \$9.4 billion; this is due to the transfer of Parks and Conservation to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

DIRECTORATE FINANCIAL POSITION - TOTAL LIABILITIES

Components of total liabilities

Total liabilities are \$89.4 million. Figure 18 indicates that the major categories of the Directorate's liabilities are Payables \$35.4 million (40 per cent), Employee Benefits \$24.4 million (27 per cent), Provisions for the Infrastructure costs and the Restoration of Waste Landfill Sites at Mugga Lane and West Belconnen \$28.3 million (32 per cent) and Other Liabilities \$1.2 million (1 per cent).

FIGURE 18: TOTAL LIABILITIES IN \$'000 AT 30 JUNE 2017



Comparison of total liabilities at 30 June 2017 to the original budget

The Directorate's liabilities at 30 June 2017 of \$89.4 million are \$21.6 million (31.8 per cent) higher than the original budgeted of \$67.9 million. The total liabilities increased due to a large value of goods and services accrued at year end of the 2016-17 financial year and higher than expected future remediation costs to restore the landfill sites associated with the Loose-Fill Asbestos Insulation-Eradication Scheme.

Comparison of 2016-17 total liabilities 2015-16

Total liabilities are \$2.7 million (2.9 per cent) lower than the previous year total of \$92.1 million primarily due to the invoice for the provision for the infrastructure costs that have been settled in 2016-17 and the decrement of Employee Benefit mainly due to the transfer of Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

TERRITORIAL STATEMENT OF REVENUES AND EXPENSES

Total income

The major categories of territorial revenue are commercial and industrial Waste Acceptance Fees, dog registration fees and Domestic Animal Services fees.

Comparison of 2016-17 total income to the original budget

Total territorial income for the year ended 30 June 2017 was \$16.3 million, which was \$55.5 million (77.3 per cent) lower than the 2016-17 original budgeted amount. Lower total income primarily relates to the land sales function, within Parks and Conservation transferred to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Comparison of 2016-17 total income to 2015-16

Total income was \$26.5 million (61.9 per cent) lower than in the previous year primarily due to the land sales function, within Parks and Conservation transferred to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Future trends

Fees and fines for 2017-18 are budgeted at \$18.0 million. Budgeted expenditure represents the transfers of revenues to the ACT Government. Both expenditure and revenue are expected to increase gradually across the forward estimates largely in line with forecast indexation.

MANAGEMENT DISCUSSION AND ANALYSIS – 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 services and management of the ACT rural schools contract.

Changes in administrative structure

On 1 July 2016 ACTION merged with the Territory and Municipal Services Directorate and CMA to form Transport Canberra within the Transport Canberra and City Services Directorate. ACTION remains a separate reporting entity.

Effective 1 July 2016 the Education 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 responsibility for the management of the contract of external providers of buses, drivers and attendants associated with SNT services was transferred to ACTION.

Financial Performance

The following financial information is based on audited Financial Statements for the 2015-16 and 2016-17 financial years, and the original 2016-17 Budget forward estimates contained in the 2017-18 Budget Papers.

Operating Result compared to Budget

The operating result for ACTION was a deficit of \$15.3 million, which is \$2.2 million higher than the budgeted deficit of \$13.1 million.

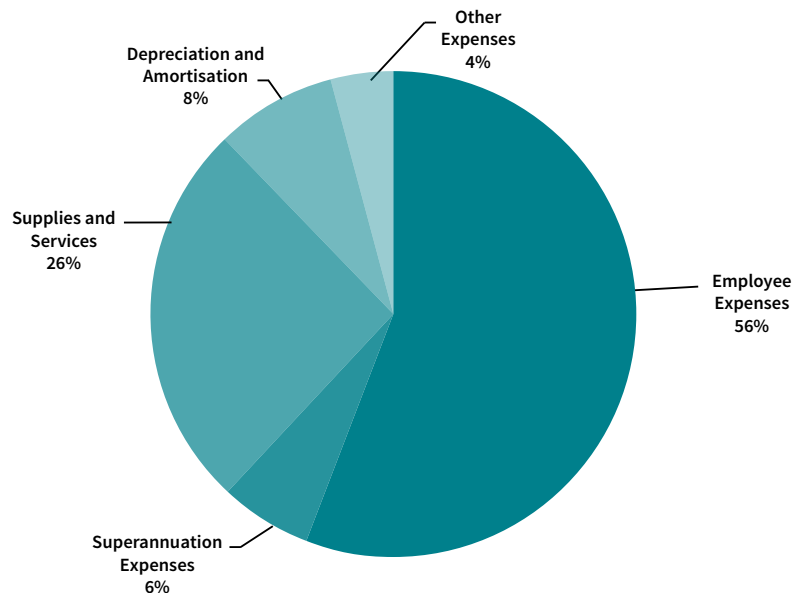
Total revenue was \$140.1 million, which is \$2.1 million higher than budgeted revenue of \$138.0 million. Total expenses were \$155.4 million, which is \$4.4 million higher than the budgeted expenditure of \$151.0 million.

TOTAL EXPENDITURE

Components of expenses

Figure 19 illustrates the components of ACTION's expenditure for 2016-17 with the largest component of expenses being employee and superannuation expenses representing 62 per cent, or \$97.7 million.

FIGURE 19: COMPONENTS OF EXPENDITURE FOR 2016-17



Comparison of 2016-17 total expenses to the original budget

Total expenses of \$155.4 million was \$4.4 million higher than the 2016-17 budget of \$151.0 million. This higher than budgeted expenditure was largely the result of:

- > an unbudgeted loss of \$5.3 million on revaluation of buses recognised in expenses;
- > unbudgeted contractor expenses of \$3.2 million related to the SNT function transferred from ETD after the original budget; and
- > operational costs associated with the delivery of new services to the airport and city loop \$0.7 million which were not included in the original budget.

These factors have been offset by:

- > lower workers compensation insurance premium expenses of \$3.1 million resulting from a reduced premium rate; and
- > lower fuel expenses of \$1.5 million resulting from a lower average fuel price.

Comparison of 2016-17 total expenses to 2015-16

Total expenditure was \$10.6 million higher than the 2015-16 reported result, this was primarily due to:

- > a loss of \$5.3 million on revaluation of buses recognised in expenses;
- > an increase in depreciation expense of \$0.6 million reflecting delivery of 28 new buses into ACTION's fleet as part of the bus replacement program;
- > an increase of \$0.9 million in fuel expenses which represents a higher average fuel price in 2016-17 compared to prior year and additional kilometres travelled with the introduction of city loop, airport and new suburbs services;

- > higher contractors and consultants reflecting \$3.4 million to third-party special needs transport providers which was previously managed by ETD however transferred to ACTION on 1 July 2016; and
- > an increase in bus maintenance expenses of \$0.4 million reflecting increased costs associated with maintaining the larger bus fleet.

Future trends

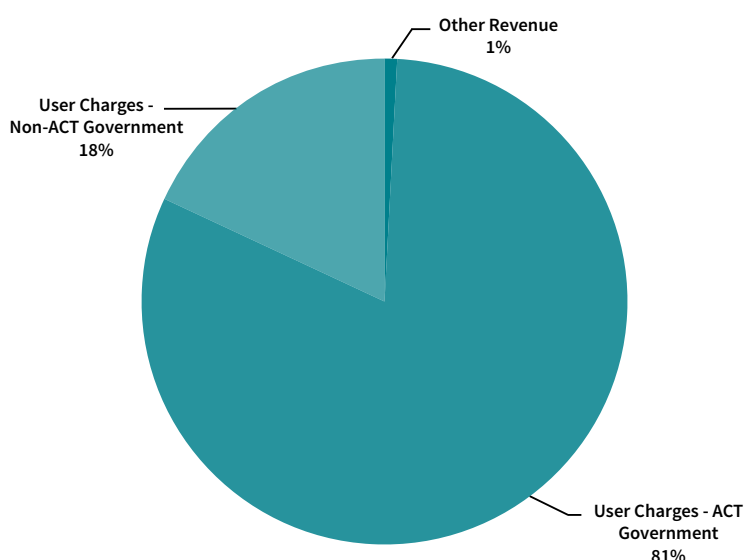
Expenses in 2017-18 and forward years are expected to increase in line with increased government funding and fare revenue resulting from the introduction of the Government's Future Bus Network delivering seven new rapid bus services over the next four years.

TOTAL INCOME

Components of income

Figure 20 illustrates that for the financial year ended 30 June 2017, ACTION received 18 per cent of its total income of \$140.1 million from non-ACT Government user charges. ACTION's income is primarily derived from ACT Government user charges for community service obligations, workers compensation insurance premium supplementation and concessional travel payments. The remainder of income relates to fares, fuel tax credits, charter and bus advertising services provided.

FIGURE 20: COMPONENTS OF INCOME FOR 2016-17



Comparison of income to the original budget

Income for the year ended 30 June 2017 was \$140.1 million which was consistent with the 2016-17 budget of \$138.0 million.

Comparison of 2016-17 income to 2015-16

Income in 2016-17 was \$10.1 million was higher than the 2015-16 reported result. The increase was mainly due to:

- > a net increase in service payments from the ACT Government of \$4.2 million resulting from the transfer of special needs transport function from ETD;
- > an increase of \$4.4 million in resources recieved free of charge from the Chief Minister, Treasury and Economic Development Directorate to supplement ACTION's workers compensation premium expense;
- > an increase in concessional travel payments of \$0.5 million due to an increase in travel by passengers eligible for a concession fare resulting in a larger overall subsidy;
- > an increase in advertising revenue of \$0.6 million reflecting greater advertising revenue generated by the external advertising provider for which ACTION receives a percentage share; and
- > minor increases to charter services, fares, fuel tax credits and recoveries amounting to \$0.4 million.

Future trends

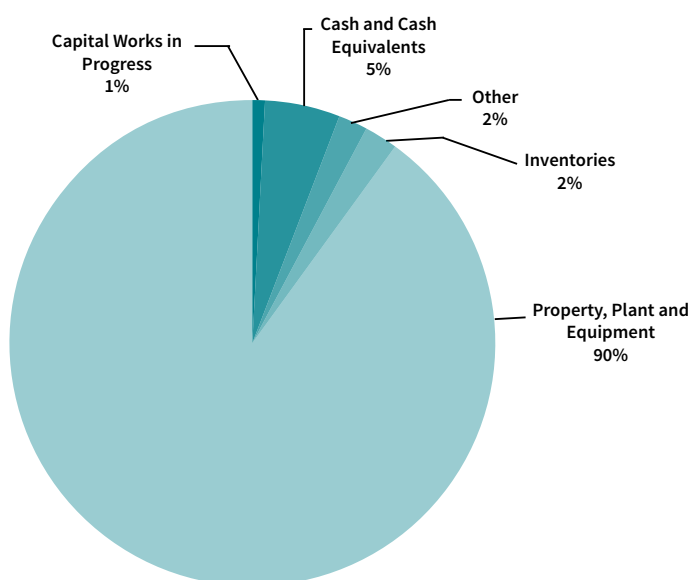
ACTION's income is budgeted to increase in 2017-18 to \$141.8 million and forward years as the result of an increase in associated Government service payments of \$3.6 million and fare revenue of \$2.0 million resulting from implementation of the future bus network; offset by the reduction in resources received free of charge related to workers compensation supplementation of \$4.4 million.

FINANCIAL POSITION TOTAL ASSETS

Components of total assets

Figure 21 illustrates that for the financial year ended 30 June 2017, property, plant and equipment, including intangibles and capital works in progress accounted for 91 per cent of ACTION's total asset base of \$178.3 million.

FIGURE 21: TOTAL ASSETS AT 30 JUNE 2017



Comparison of total assets at 30 June 2017 to the original budget

Assets as at 30 June 2017 totalled \$178.3 million, \$7.8 million higher than the 2016-17 budget of \$170.5 million. The increase is largely the result of:

- > a higher cash and receivables balance of \$4.6 million reflecting an increase in cash held for the larger prepaid balance on MyWay cards and employee expenses in early July 2017; and
- > an increase of \$3.3 million in non-current assets resulting from a net increase of \$6.2 million from the revaluation of land, buildings and buses offset by delays in the bus replacement program resulting from slippage in the bus body build schedule.

Comparison of 2016-17 total assets to 2015-16

ACTION's total asset position is a \$9.6 million increase on the 2015-16 result of \$168.7 million. The increase is primarily because of:

- > higher property, plant and equipment of \$7.8 million resulting from the addition of 28 new buses to the network of \$12.8 million, depot upgrades of \$0.8 million and net a increment on revaluation of \$6.2 million offset by depreciation expense of \$11.8 million and transfer and disposal of assets of \$0.2 million; and
- > a higher cash and cash equivalents of \$5.9 million resulting from payment of invoices outstanding at June 2016 in early 2016-17 of (\$3.3 million), an increase in cash for larger balances of funds held on MyWay cards (\$0.6 million) and a larger payables balance with payments outstanding for fuel and special needs transport contractors at year end of \$0.5 million, in addition to a favourable cash operating result.

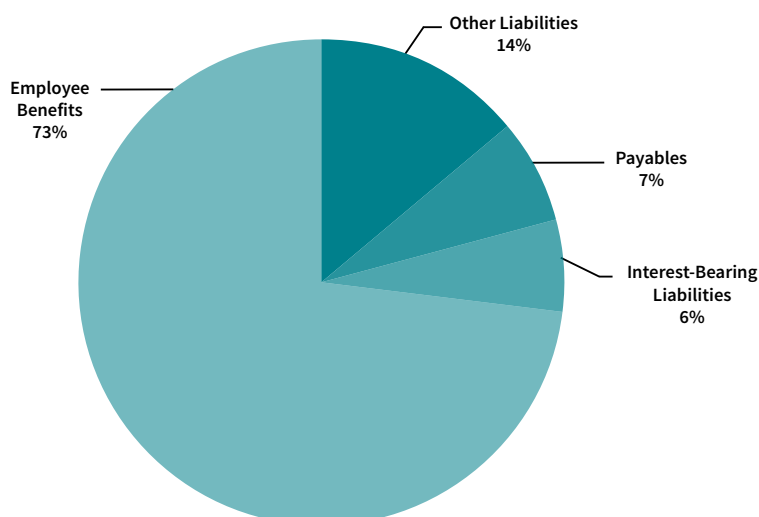
These have been offset by lower receivables of \$2.6 million as noted above and lower capital works in progress balances of \$1.5 million due to the bus replacement program nearing completion.

FINANCIAL POSITION TOTAL LIABILITIES

Components of total liabilities

Figure 22 illustrates that the major component of ACTION's liabilities relate to employee benefits of \$23.9 million (73 per cent).

FIGURE 22: TOTAL LIABILITIES AT 30 JUNE 2017



Comparison of total liabilities at 30 June 2017 to the original budget

ACTION's liabilities for the year ended 30 June 2017 was \$32.8 million, which is \$2.5 million higher than the 2016-17 budget of \$30.3 million largely due to:

- > an increase of \$1.2 million in revenue received in advance representing aggregate balance of funds held on MyWay cards and a trend towards maintaining higher card balances; and
- > an increase in employee liabilities of \$2.6 million reflecting an under-allocation of long service leave in the budget and accrued payroll tax expense relating to June which was paid in early July 2017 not reflected in the budget.

These have been offset by a reduction to payables of \$1.7 million with invoices being received and paid in full before end of financial year.

Comparison of 2016-17 total liabilities to 2015-16

Total liabilities of \$32.8 million was \$1.1 million higher than the 2015-16 actual result of \$31.7 million due to:

- > an increase in payables of \$1.0 million reflecting additional fuel, special needs transport contract and bus progress payments accrued at year end; and
- > an increase in revenue received in advance of \$0.6 million reflecting a trend towards customers maintaining higher balances on MyWay cards.

These have been offset by a reduction of \$0.3 million in the Commonwealth loan for historic land and buildings resulting from the 2016-17 instalment payment.

C.2 - FINANCIAL STATEMENTS

**FINANCIAL STATEMENTS
OF
TRANSPORT CANBERRA AND CITY
SERVICES DIRECTORATE

FOR THE YEAR ENDED
30 JUNE 2017**

INDEPENDENT AUDIT REPORT**TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE****To the Members of the ACT Legislative Assembly****Audit opinion**

I am providing an **unqualified audit opinion** on the financial statements of the Transport Canberra and City Services Directorate (the Directorate) for the year ended 30 June 2017. 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, cash flow statement on behalf of the Territory and Territorial statement of appropriation.

In my opinion, the financial statements:

- (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 and results of its operations and cash flows.

Basis for the audit opinion

The audit was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the audit to provide a basis for the audit opinion.

Responsibility for preparing and fairly presenting the financial statements

The Director-General is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Directorate to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Responsibility for the audit of the financial statements

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

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud and implemented procedures to address these risks so that sufficient evidence was obtained to form an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls;
- obtained an understanding of internal controls to design audit procedures for forming an audit opinion;
- evaluated accounting policies and estimates used to prepare the financial statements and disclosures made in the financial statements;
- evaluated the overall presentation and content of the financial statements, including whether they present the underlying transactions and events in a manner that achieves fair presentation;
- reported the scope and timing of the audit and any significant deficiencies in internal controls identified during the audit to the Director-General; and
- assessed the going concern* basis of accounting used in the preparation of the financial statements.

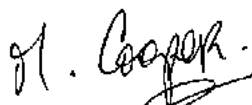
(*Where the auditor concludes that a material uncertainty exists which cast significant doubt on the appropriateness of using the going concern basis of accounting, the auditor is required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, the audit opinion is to be modified. The auditor's conclusions on the going concern basis of accounting are based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.)

Limitations on the scope of the audit

An audit provides a high level of assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. However, an audit cannot provide a guarantee that no material misstatements exist due to the use of selective testing, limitations of internal control, persuasive rather than conclusive nature of audit evidence and use of professional judgement in gathering and evaluating evidence.

An audit does not provide assurance on the:

- reasonableness of budget information included in the financial statements;
- prudence of decisions made by the Directorate;
- adequacy of controls implemented by the Directorate; or
- integrity of audited financial statements presented electronically or information hyperlinked to or from the financial statements. Assurance can only be provided for the printed copy of the audited financial statements.



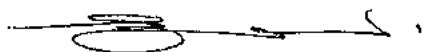
Dr Maxine Cooper
Auditor-General

19 September 2017

**Transport Canberra and City Services Directorate
Financial Statements
For the Year Ended 30 June 2017**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Transport Canberra and City Services Directorate's (the Directorate's) accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2017 and the financial position of the Directorate on that date.



Emma Thomas

Director-General

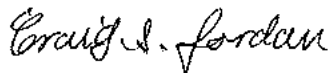
Transport Canberra and City Services Directorate

18 September 2017

**Transport Canberra and City Services Directorate
Financial Statements
For the Year Ended 30 June 2017**

Statement by the Chief Financial Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the Transport Canberra and City Services Directorate's (the Directorate's) accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2017 and the financial position of the Directorate on that date.



Craig Jordan

Chief Financial Officer

Transport Canberra and City Services Directorate

18 September 2017

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

CONTROLLED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2017**

Transport Canberra and City Services Directorate
Operating Statement
For the Year Ended 30 June 2017

	Note	Actual	Original	Actual
	No.	2017	Budget	2016
		\$'000	\$'000	\$'000
Income				
<i>Revenue</i>				
Controlled Recurrent Payments	4	299,463	291,559	328,651
User Charges	5	23,727	21,802	26,705
Interest		2	-	-
Resources Received Free of Charge	6	1,114	853	1,150
Fees and Fines	7	6,186	4,571	5,500
Other Revenue	8	11,979	671	10,667
<i>Total Revenue</i>		342,471	319,456	372,673
<i>Gains</i>				
Other Gains	9	136,190	153,790	130,274
<i>Total Gains</i>		136,190	153,790	130,274
Total Income		478,661	473,246	502,947
Expenses				
Employee Expenses	10	68,395	60,685	83,647
Superannuation Expenses	11	9,503	8,493	10,736
Supplies and Services	12	155,246	155,538	162,366
Depreciation and Amortisation	13	159,677	147,450	149,688
Grants and Purchased Services	14	99,879	94,656	93,382
Borrowing Costs	15	7	6	20
Other Expenses	16	61,549	255	24,768
Total Expenses		554,256	467,083	524,607
Operating (Deficit)/Surplus		(75,595)	6,163	(21,660)
Other Comprehensive Income/(Deficit)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase/(Decrease) in the Asset Revaluation Surplus	32	14,476	(123,112)	38,524
Total Other Comprehensive Income/(Deficit)		14,476	(123,112)	38,524
Total Comprehensive (Deficit)/Income		(61,119)	(116,949)	16,864

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

Transport Canberra and City Services Directorate
Balance Sheet
At 30 June 2017

	Note	Actual	Original	Actual
	No.	2017	Budget	2016
		\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents	19	17,720	17,875	11,969
Receivables	20	9,375	6,927	8,792
Inventories	21	2,590	810	818
Other Assets	22	685	206	346
Total Current Assets		30,370	25,818	21,925
Non-Current Assets				
Property, Plant and Equipment	23	9,185,014	9,106,394	9,265,835
Intangible Assets	24	4,853	5,078	4,686
Biological Assets	25	-	-	28,488
Other Assets	22	750	2	-
Capital Works in Progress	26	91,982	175,543	98,159
Total Non-Current Assets		9,282,599	9,287,017	9,397,168
Total Assets		9,312,969	9,312,835	9,419,093
Current Liabilities				
Payables	27	34,690	27,800	25,965
Finance Leases	28	103	103	190
Employee Benefits	29	23,008	24,390	27,565
Other Provisions	30	2,895	-	11,167
Other Liabilities	31	1,176	937	2,228
Total Current Liabilities		61,872	53,230	67,115
Non-Current Liabilities				
Payables	27	750	-	-
Finance Leases	28	26	26	129
Employee Benefits	29	1,388	1,187	1,647
Other Provisions	30	25,403	13,386	23,212
Other Liabilities	31	3	28	-
Total Non-Current Liabilities		27,570	14,627	24,988
Total Liabilities		89,442	67,857	92,103
Net Assets		9,223,527	9,244,978	9,326,990
Equity				
Accumulated Funds	32	5,587,863	5,790,927	5,705,802
Asset Revaluation Surplus	32	3,635,664	3,454,051	3,621,188
Total Equity		9,223,527	9,244,978	9,326,990

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

Transport Canberra and City Services Directorate
Statement of Changes in Equity
For the Year Ended 30 June 2017

		Accumulated	Asset	Total	Original
		Funds	Revaluation	Equity	Budget
		Actual	Surplus	Actual	
	Note	2017	2017	2017	2017
	No.	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016		5,705,802	3,621,188	9,326,990	9,292,309
Comprehensive Income					
Operating (Deficit)/Surplus		(75,595)	-	(75,595)	6,163
Increase/(Decrease) in the Asset Revaluation Surplus	32	-	133,106	133,106	(123,112)
Increase/(Decrease) in the Asset Revaluation Surplus from transfers to Other Agencies	32	118,630	(118,630)	-	-
Total Comprehensive Income/(Deficit)		43,035	14,476	57,511	(116,949)
Transactions Involving Owners Affecting Accumulated Funds					
Capital Injections		138,803	-	138,803	217,190
Capital Payments to ACTION		(12,304)	-	(12,304)	-
Net Assets transferred out as part of Administrative Arrangement	34	(287,473)	-	(287,473)	(147,572)
Total Transactions Involving Owners Affecting Accumulated Funds		(160,974)	-	(160,974)	69,618
Balance at 30 June 2017		5,587,863	3,635,664	9,223,527	9,244,978

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

Transport Canberra and City Services Directorate
Statement of Changes in Equity – Continued
For the Year Ended 30 June 2017

		Accumulated Funds Actual 2016 \$'000	Asset Revaluation Surplus Actual 2016 \$'000	Total Equity Actual 2016 \$'000
	Note No.			
Balance at 1 July 2015		5,666,588	3,582,664	9,249,252
Comprehensive Income				
Operating (Deficit)		(21,660)	-	(21,660)
Increase in the Asset Revaluation Surplus	32	-	44,029	44,029
Increase/(Decrease) in the Asset Revaluation Surplus from Transfers to Other Agencies	32	5,505	(5,505)	-
Total Comprehensive (Deficit)/Income		(16,155)	38,524	22,369
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections		128,324	-	128,324
Capital Payments to ACTION		(18,871)	-	(18,871)
Net Assets transferred out as part of Administrative Arrangement	34	(54,084)	-	(54,084)
Total Transactions Involving Owners Affecting Accumulated Funds		55,369	-	55,369
Balance at 30 June 2016		5,705,802	3,621,188	9,326,990

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

Transport Canberra and City Services Directorate
Cash Flow Statement
For the Year Ended 30 June 2017

	Note No.	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		299,463	291,559	328,651
User Charges		20,989	21,803	26,473
Fees and Fines		6,172	4,867	5,528
Commonwealth Grants		-	-	30
Interest Received		2	-	-
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		45,292	-	29,344
Goods and Services Tax Collected from Customers		3,968	-	4,653
Other		12,841	29,269	10,732
Total Receipts from Operating Activities		388,727	347,498	405,411
Payments				
Employee		68,180	59,415	81,595
Superannuation		9,463	8,489	11,035
Supplies and Services		150,431	153,886	164,079
Grants and Purchased Services		99,879	94,656	93,382
Borrowing Costs		7	6	20
Goods and Services Tax Paid to Suppliers		44,639	-	30,348
Goods and Service Tax Input Tax Paid to the Australian Taxation Office		4,215	-	4,547
Other		8	29,902	13
Total Payments from Operating Activities		376,822	346,354	385,019
Net Cash Inflows from Operating Activities	38	11,905	1,144	20,392
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Property, Plant and Equipment		293	-	243
Total Receipts from Investing Activities		293	-	243
Payments				
Payments for Property, Plant and Equipment		1,898	-	2,355
Payments for Capital Works in Progress		131,398	218,487	131,790
Payments for Intangibles		1,209	-	38
Total Payments from Investing Activities		134,505	218,487	134,183
Net Cash (Outflows) from Investing Activities		(134,212)	(218,487)	(133,940)

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

Transport Canberra and City Services Directorate
Cash Flow Statement – Continued
For the Year Ended 30 June 2017

	Note No.	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Cash Flows from Financing Activities				
Receipts				
Capital Injections		138,803	231,685	128,324
Receipts of Transferred Cash Balances (Administrative Arrangements)		2,298	2,298	-
Total Receipts from Financing Activities		141,101	233,983	128,324
Payments				
Repayment of Finance Lease Liabilities		160	99	156
Capital Payments to ACTION		12,304	14,495	18,871
Payment of Transferred Cash Balances (Administrative Arrangements)		579	-	352
Total Payments from Financing Activities		13,043	14,594	19,379
Net Cash Inflows from Financing Activities		128,058	219,389	108,945
Net Increase/(Decrease) in Cash and Cash Equivalents				
		5,751	2,046	(4,604)
Cash and Cash Equivalents at the Beginning of the Reporting Period		11,969	15,829	16,573
Cash and Cash Equivalents at the End of the Reporting Period	38	17,720	17,875	11,969

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

**Transport Canberra and City Services Directorate
Summary of Directorate Output Classes
For the Year Ended 30 June 2017**

	Output 1 Transport Canberra \$'000	Output 2 City Services \$'000	Intra- Directorate Elimination \$'000	Total \$'000
2017				
Total Income	127,621	351,557	(518)	478,660
Total Expenses	131,233	423,540	(518)	554,255
Operating (Deficit)	(3,612)	(71,983)	-	(75,595)
2016				
Total Income	7,706	495,241	-	502,947
Total Expenses	10,242	514,365	-	524,607
Operating (Deficit)	(2,536)	(19,124)	-	(21,660)

Transport Canberra and City Services Directorate Operating Statement for Output Class 1 – Transport Canberra For the Year Ended 30 June 2017

Description

Output Class 1: 'Transport Canberra' includes:

Transport Canberra – Oversight of public transport operation and light rail construction, and its effective integration into the public transport network; public transport asset management; the Active Travel Office; and the public transport network, to ensure Canberra remains a great place to live, work and relax.

	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Income			
<i>Revenue</i>			
Controlled Recurrent Payments	126,590	126,064	7,494
User Charges	435	190	212
Resources Received Free of Charge	534	601	-
Other Revenue	25	-	-
<i>Total Revenue</i>	<u>127,584</u>	<u>126,855</u>	<u>7,706</u>
<i>Gains</i>			
Other Gains	37	-	-
<i>Total Gains</i>	<u>37</u>	<u>-</u>	<u>-</u>
Total Income	<u>127,621</u>	<u>126,855</u>	<u>7,706</u>
Expenses			
Employee Expenses	11,215	10,634	4,095
Superannuation Expenses	1,372	1,382	467
Supplies and Services	17,284	21,386	4,017
Depreciation and Amortisation	1,684	2,052	1,649
Grants and Purchased Services	99,134	93,834	-
Borrowing Costs	-	3	-
Other Expenses	544	3	14
Total Expenses	<u>131,233</u>	<u>129,294</u>	<u>10,242</u>
Operating (Deficit)	<u>(3,612)</u>	<u>(2,439)</u>	<u>(2,536)</u>

The Directorate reclassified its 2015-16 Output Class 1 'Municipal Services' to align with the structural change in 2016-17 following the Administrative Arrangements on 1 July 2016 (refer to Note 1: *Objective of the Transport Canberra and City Services Directorate – Administrative Restructures*).

Transport Canberra and City Services Directorate Operating Statement for Output Class 2 – City Services For the Year Ended 30 June 2017

Description

Output Class 2: 'City Services' includes:

Roads and Infrastructure – Management of ACT roads and associated assets and infrastructure. It also includes the provision of asset information services, capital works and development approvals relating to the acceptance of new infrastructure assets.

Library Services – Provision of library services to the community through its branches, online library services and the Heritage Library.

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

City Maintenance and Services – Planning and management of the ACT's urban open space system including Yarralumla Nursery. It is also responsible for administration of regulatory activities to protect and enhance our environment by providing 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.

Capital Linen Services – Provides linen services to ACT Government agencies and the private sector on a fee for service basis.

	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Income			
<i>Revenue</i>			
Controlled Recurrent Payments	172,873	165,495	321,157
User Charges	23,781	21,612	26,493
Interest	2	-	-
Resources Received Free of Charge	580	252	1,150
Fees and Fines	6,186	4,571	5,500
Other Revenue	11,982	671	10,667
<i>Total Revenue</i>	215,404	192,601	364,967
<i>Gains</i>			
Other Gains	136,153	153,790	130,274
<i>Total Gains</i>	136,153	153,790	130,274
Total Income	351,557	346,391	495,241
Expenses			
Employee Expenses	57,205	50,051	79,552
Superannuation Expenses	8,132	7,111	10,269
Supplies and Services	138,454	134,152	158,349
Depreciation and Amortisation	157,992	145,398	148,039
Grants and Purchased Services	745	822	93,382
Borrowing Costs	7	3	20
Other Expenses	61,005	252	24,754
Total Expenses	423,540	337,789	514,365
Operating (Deficit)/Surplus	(71,983)	8,602	(19,124)

The Directorate reclassified its 2015-16 Output Class 1 'Municipal Services' to align with the structural change in 2016-17 following the Administrative Arrangements on 1 July 2016 (refer to Note 1: *Objective of the Transport Canberra and City Services Directorate – Administrative Restructures*).

**Transport Canberra and City Services Directorate
Controlled Statement of Appropriation
For the Year Ended 30 June 2017**

	Original Budget 2017 \$'000	Total Appropriated 2017 \$'000	Appropriation Drawn 2017 \$'000	Appropriation Drawn 2016 \$'000
Controlled				
Controlled Recurrent Payments including Community Service Obligations	291,559	307,407	299,463	328,651
Capital Injections	231,685	266,199	138,803	128,324
Total Controlled Appropriation	523,244	573,606	438,266	456,975

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 2016-17 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.

Transport Canberra and City Services Directorate Controlled Statement of Appropriation – Continued For the Year Ended 30 June 2017

Reconciliation of Appropriation for 2016-17

	Controlled Recurrent Payments 2017 \$'000	Capital Injections 2017 \$'000
Original Budget	291,559	231,685
s.14a Transfers ^a	495	(495)
s.16 Transfers ^b	6,986	(90)
s.16B Rollovers ^c	2,167	22,284
s.17 Variation of Appropriation ^d	-	12,815
s.18 Treasurer's Advance ^e	6,200	-
Total Appropriated	307,407	266,199
Undrawn Funds ^f	(7,944)	(127,396)
Total Appropriation Drawn	299,463	138,803

- a) Capital Injection funds were transferred to Controlled Recurrent Payments (CRP) to cover operational costs that did not meet the capitalisation requirements for Light Rail Stage 1.
- b) This comprises four instruments. CRP funding represents the Special Needs Transport being transferred into ACTION from the Education Directorate (\$6.51m), the adjustment of the transfer of Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate (\$0.47m). The Capital Injection funding represents the adjustment of transfer of the Water Security for the National Arboretum Canberra (\$0.13m) to the Chief Minister, Treasury and Economic Development Directorate and the adjustment of the transfer of Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate (\$0.04m).
- c) The CRP rollovers are mainly due to delays in the planning and construction of Constitution Avenue (\$0.98m), Light Rail Stage 1 (\$0.33m), Waste Recovery (\$0.47m) and other minor projects (\$0.39m). The Capital Injection rollovers mainly relate to delays in the Capital Upgrade Program (\$6.32m), Essential Waste Management Infrastructure construction (\$2.41m), Civic to Gungahlin Corridor improvements (\$2.15m), Bridge Renewal Programme (\$1.37m), Mugga Lane remediation (\$1.35m), ACTION bus replacements (\$1.17m), Majura Road shared path (\$1.14m), Majura Parkway construction (\$1.09m) and various other projects (\$5.29m).
- d) The Variation of Appropriation relates to Commonwealth Grant funding that was granted in the 2015-16 financial year but not paid until the 2016-17 financial year.
- e) Treasurer's Advances relate mainly to Light Rail Stage 2 funding (\$3.50m), Green Bin roll out (\$0.57m), Legal fees in relation to the North Weston Pond (\$1.20m) and other unforeseen costs (\$0.93m).
- f) The CRP Undrawn Funds relate to various projects not being completed as of the end of June 2017 (\$1.53m), the electric bus trial being delayed (\$0.60m) and adjustments to Commonwealth funding (\$5.81m). The Capital Injection Undrawn Funds relate to various projects that have been deferred to 2017-18 due to delays in planning and construction work (\$102.11m), Green Bin capital funding (\$0.58m) that the Directorate did not receive an appropriation for and Commonwealth funding adjustments to correct the base funding for Roads as per Treasury's advice (\$24.71m).

Transport Canberra and City Services Directorate

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For the Year Ended 30 June 2017

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Transport Canberra and City Services Directorate
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For the Year Ended 30 June 2017

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Transport Canberra and City Services Directorate Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2017

NOTE 1 OBJECTIVES OF THE TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

Change of Name

As a result of Administrative Arrangements 2016 (No. 3) notifiable instrument NI2016-178 announced on 8 April 2016, the Territory and Municipal Services Directorate (TAMS) changed its name to the Transport Canberra and City Services Directorate (the Directorate) from 1 July 2016.

Administrative Restructures

In addition to the Directorate changing its name, the Administrative Arrangements 2016 (No. 3) notifiable instrument NI2016-178 came into effect on 1 July 2016 with:

- the Parks and Conservation function transferred from the Directorate to the Environment, Planning and Sustainable Development Directorate (EPSDD);
- the Active Travel Office (walking and cycling) that provides guidance on active transport strategy and planning was transferred from EPSDD to the Directorate; and
- the Capital Metro Agency ceased as a separate reporting entity and its functions were amalgamated with the Directorate.

Administrative Arrangements 2016 (No. 5) notifiable instrument NI2016-693 came into effect on 19 December 2016, which resulted in the transfer of Waste policy from the EPSDD to the Directorate.

The financial effect of the above Administrative Arrangements is reflected in the notes to these financial statements.

Operations and Principal Activities

The Directorate plays a key role in building Canberra's environmental, social and infrastructure capital as well as administering the majority of Canberra's city services and public transport functions. This includes providing and managing public libraries, collecting and recycling waste, graffiti removal, grass mowing, oversight of light rail construction and its effective integration into the public transport network, managing and maintaining the Territory's streetlights, roads, footpaths and cycling paths. It is also responsible for the management of urban trees, public open spaces and city places including maintenance of shops, domestic animal services, animal welfare and other licensing and compliance services including ranger services and permits for public land use. 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 administrative oversight to the ACT Public Cemeteries Authority (the Authority). The Authority prepares separate financial statements which are annexed to the Directorate's Annual Report.

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

**Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A – Basis of Preparation of the Financial Statements

Appendix B – Significant Accounting Policies

Appendix C – Impact of Accounting Standards Issued But Yet to Be Applied

NOTE 3 CHANGE IN ACCOUNTING ESTIMATES

Refer to Appendix D – Change in Accounting Estimates

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 4 CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments (CRP) are revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays CRP appropriation on a fortnightly basis.

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

	2017 \$'000	2016 \$'000
Revenue from the ACT Government		
Controlled Recurrent Payments ^a	200,045	233,341
Community Service Obligations - ACTION ^b	99,134	92,639
Community Service Obligations - Yarralumla Nursery ^c	284	284
Community Service Obligations - ACT Forests ^d	-	2,387
Total Controlled Recurrent Payments	299,463	328,651

- a) The decrease in CRP represents the transfer of funds for the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.
- b) The CSO payment to ACTION is to operate bus network services and the increase represents Special Needs Transport being transferred from the Education Directorate (\$6.51m) to ACTION on 1 July 2016.
- c) The CSO payment to Yarralumla Nursery relates to the free plant issue scheme which provides a free plant to the house owner if they purchased a new residential block of land in the ACT.
- d) The CSO payment to ACT Forests is for the provision of public use areas within ACT Forests. This function transferred to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 5 USER CHARGES

User charges revenue is derived from providing goods and services to other ACT Government agencies and to the public. User charges revenue is paid by the users of the goods or services and legally retained by the Directorate. This revenue is driven by consumer demand.

Sale of goods and services largely relate to Capital Linen Service and Yarralumla Nursery.

	2017	2016
	\$'000	\$'000
User Charges - ACT Government		
Sale of Goods	9	9
Rendering of Services	11,644	11,283
Rent from Tenants	46	146
Total User Charges - ACT Government	11,699	11,438
User Charges - Non-ACT Government		
Sale of Goods ^a	1,586	4,549
Rendering of Services	9,760	10,012
Rent from Tenants	682	706
Total User Charges - Non-ACT Government	12,028	15,267
Total User Charges for Goods and Services	23,727	26,705

- a) The decrease in the Sale of Goods to the Non-ACT Government sector is mainly due to timber sales that were transferred with the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 6 RESOURCES RECEIVED FREE OF CHARGE

	2017	2016
	\$'000	\$'000
Revenue from ACT Government Entities		
Justice and Community Safety Directorate (JACS) - Legal Services	728	722
JACS - Emergency Services Agency - Network access and FleetCare	386	390
Chief Minister, Treasury and Economic Development Directorate - Territory Records - Public Access Provision	-	38
Total Resources Received Free of Charge	1,114	1,150

NOTE 7 FEES AND FINES

Roads and Public Places fees represent revenues raised under the *Roads and Public Places Act 1937*. Other Fees largely relate to revenues raised under the *Public Unleased Land Act 2013*.

	2017	2016
	\$'000	\$'000
Waste Acceptance Fees ^a	5,164	4,733
Roads and Public Places Fees	757	493
Other Fees and Fines	265	274
Total Fees and Fines	6,186	5,500

a) The increase is due to higher waste disposal from domestic customers in 2016-17.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 8 OTHER REVENUE

Other Revenue arises from the core activities of the Directorate. Other Revenue is distinct from Other Gains, as Other Gains are items that are not part of the core activities of the Directorate.

	2017	2016
	\$'000	\$'000
Revenue from ACT Government Entities		
Other Recoveries ^a	-	598
Insurance Recoveries ^b	1,176	405
Acceptance Fees for Contaminated Waste ^c	5,759	2,299
Other ^d	2,163	3,627
Total Other Revenue from ACT Government Entities	9,098	6,929
Revenue from Non-ACT Government Entities		
Commonwealth Government Grants	-	31
Other Recoveries	166	197
Acceptance Fees for Contaminated Waste ^e	2,365	2,797
Other	350	713
Total Other Revenue from Non-ACT Government Entities	2,881	3,738
Total Other Revenue	11,979	10,667

- a) Other Recoveries represents the Parks and Conservation's supplies and services cost recovery from the other agencies and this function transferred to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.
- b) The increase in Insurance Recoveries represents one-off prior year event for Acton tunnel works received in the 2016-17 financial year.
- c) The increase in Acceptance Fees for Contaminated Waste is mainly due to increased activity from the demolition of properties under the Loose-fill Asbestos Insulation Eradication Scheme.
- d) The decrease in Other Revenue from ACT government entities mainly relates to lower revenue received in the 2016-17 from the Land Development Agency for stormwater remediation works.
- e) The decrease in Acceptance Fees for Contaminated Waste from Non-ACT Government is mainly due to less contaminated waste from the private sector in 2016-17 in relation to the Loose-Fill Asbestos Insulation Eradication Scheme.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 9 OTHER GAINS

Other Gains refer to income that 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 the sale of assets. Other Gains are distinct from Other Revenue, as Other Revenue arises from the core activities of the Directorate.

	2017	2016
	\$'000	\$'000
Assets Received from Private Developers ^a	5,238	6,798
Initial Recognition of Land from the Commonwealth ^b	-	2,154
Assets Received from Other ACT Government Agencies ^c	129,857	119,206
Net Gain on Sale of Assets	121	44
Waste Education Fund Contribution ^d	957	-
Gains from the Revaluation of Biological Assets ^e	-	1,999
Donations	-	4
Assets located during stocktake	17	69
Total Other Gains	136,190	130,274

- 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. Scheduling of asset transfers is dependent on private sector developers.
- b) Initial Recognition of Land from the Commonwealth in 2015-16 represents 4,309 hectares received from the Commonwealth. This was a one-off gain last year due to the recognition of the value of unleased rural land which had previously been held at nil.
- 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) Waste Education Fund Contribution represents contributions from contractors in relation to waste education. This funding assists the Directorate to integrate long term sustainability education practices which are critical in achieving behavioural change to reduce waste and increase resource recovery.
- e) Biological Assets were transferred to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 10 EMPLOYEE EXPENSES

	2017	2016
	\$'000	\$'000
Wages and Salaries ^a	59,025	68,540
Annual Leave Expense ^a	4,555	5,327
Long Service Leave Expense ^b	791	4,900
Workers' Compensation Insurance Premium ^a	2,961	4,189
Termination Expense ^c	815	341
Other Employee Benefits and On-Costs	248	350
Total Employee Expenses	68,395	83,647

- a) The decrease in Wages and Salaries, Annual Leave expenses and Workers' Compensation Insurance Premiums reflect the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.
- b) Long Service Leave expense has decreased largely due to a decrease in the rate used to estimate Long Service Leave liabilities from 114.7% to 103.4% and the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016. The use of a lower rate has resulted in a decrease in the long service leave liability and related expense by \$3.5m.
- c) The increase in the Termination expense is mainly due to termination payments for four executives as a result of restructuring following the Administrative Arrangements on 1 July 2016.

NOTE 11 SUPERANNUATION EXPENSES

	2017	2016
	\$'000	\$'000
Superannuation Contributions to the Territory Banking Account	4,497	5,509
Productivity Benefit	659	832
Superannuation Payment to Commonwealth Superannuation Corporation (for the PSSAP)	281	312
Superannuation to External Providers	4,066	4,083
Total Superannuation Expenses^a	9,503	10,736

- a) The decrease in Superannuation Expenses is mainly due to the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 12 SUPPLIES AND SERVICES

	2017	2016
	\$'000	\$'000
Repairs and Maintenance (e.g. parks, roads and property) ^a	43,743	51,835
Building and Facilities Operating Costs ^b	15,292	16,767
Professional Services (e.g. contractors and consultants) ^c	54,565	47,512
Information Technology and Telecommunications ^b	10,505	10,547
Consumables	5,774	6,135
Insurance ^b	5,317	6,449
Communication, Printing and Publication	1,692	1,246
Operating Lease Costs ^a	5,839	7,588
Finance, Procurement and Human Resources Charges	4,013	4,156
Cost of Goods Sold	1,006	950
Legal Costs ^d	2,562	2,039
Other Human Resource Costs	1,123	1,366
Staff Development and Training ^a	958	1,116
Membership and Associations	254	228
Bank Fees and Charges	28	29
Travel Expenses	112	138
Other Supplies and Services ^e	1,523	1,026
Contribution to Projects ^f	940	3,239
Total Supplies and Services	155,246	162,366

- a) The decrease primarily relates to the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.
- b) The decrease primarily relates to the transfer of Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate on 1 July 2016 and the full year impact of the transfer of the National Arboretum Canberra to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016.
- c) The increase in Professional Services primarily relates to increased activity associated with the demolition of properties under the Loose-Fill Asbestos Insulation Eradication Scheme that the Directorate recovered this cost from the Asbestos Response Taskforce and the announcement of Light Rail Stage 2.
- d) The increase primarily relates to Legal Costs in relation to the North Weston Pond in 2016-17.
- e) The increase in Other Supplies and Services primarily relates to the catch-up collection services provided to the community for waste collection.
- f) The 2015-16 balance was higher due to stormwater remediation works funded by the Land Development Agency.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 13 DEPRECIATION AND AMORTISATION

	2017 \$'000	2016 \$'000
Depreciation		
Land Restoration	618	282
Buildings ^a	1,633	2,420
Infrastructure Assets ^b	146,341	134,154
Plant and Equipment ^a	7,241	7,998
Heritage and Community Assets ^c	2,458	3,331
Leasehold Improvements	106	85
Total Depreciation	158,397	148,270
Amortisation		
Intangible Assets - Internally Generated Software	1,280	1,418
Total Amortisation	1,280	1,418
Total Depreciation and Amortisation	159,677	149,688

Revision in Accounting Estimates

The useful lives of ACT NOWaste landfill assets were reassessed internally resulting in an annual increase in depreciation expenses of \$12m in the infrastructure assets class.

- a) The decrease in Depreciation for Buildings and Plant and Equipment is mainly due to the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate on 1 July 2017 and the transfer of the National Arboretum Canberra to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016.
- b) The increase in Depreciation for Infrastructure Assets mainly relates to the changing of useful lives for ACT NOWaste land cells assets (refer to Appendix D – *Change in Accounting Estimates*).
- c) The decrease in Depreciation for Heritage and Community Assets is mainly due to the transfer of the National Arboretum Canberra to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

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 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.

	2017	2016
	\$'000	\$'000
Payments to Service Providers - ACTION ^a	99,134	92,639
Grants to Community Organisations	745	743
Total Grants and Purchased Services	99,879	93,382

a) The increase in the payments to ACTION is a result of the Special Needs Transport being transferred from the Education Directorate to ACTION on 1 July 2016.

NOTE 15 BORROWING COSTS

	2017	2016
	\$'000	\$'000
Interest on Borrowings	-	1
Finance Charges on Finance Leases	7	19
Total Borrowing Costs	7	20

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 16 OTHER EXPENSES

	2017	2016
	\$'000	\$'000
Expensing of Capital Works in Progress ^a	13,245	24,303
Transfer of Assets to Other ACT Government Agencies	196	133
Transfer of the Constitution Avenue Upgrade to the National Capital Authority ^b	44,800	-
Net Loss on Disposal of Assets ^c	2,704	181
Inventory Write Downs and Stock Losses (see Note 17)	63	75
Waivers, Impairment Losses and Write-Offs (see Note 17)	533	63
Other	8	13
Total Other Expenses	61,549	24,768

- a) Expensing of Capital Works in Progress includes the expensing of costs from capital projects that did not meet the asset recognition criteria in accordance with Australian Accounting Standards. Major items expensed include landscaping and utility diversions for Gundaroo Drive Duplication and Weston Creek Cotter Road Duplication. The decrease is mainly due to fewer Capital projects and fewer costs from these projects not meeting the asset recognition requirements to be expensed in 2016-17.
- b) Transfer of the Constitution Avenue upgrade works to the National Capital Authority. This upgrade project was funded in prior years by the Commonwealth and completed in 2016-17.
- c) The increase in Net Loss on Disposal of Assets is mainly due to removal of 12 Artworks (\$1.3m) that are currently also recorded on the Chief Minister, Treasury and Economic Development Directorate's asset register and disposal of Materials Recovery Facility equipment (\$0.8m).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

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 2015-16 and 2016-17, there were no debt waivers.

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

	2017		2016	
	No.	\$'000	No.	\$'000
Impairment Losses from Receivables				
Trade Receivables ^a	70	508	-	-
<i>Total Impairment Loss from Receivables</i>	70	508	-	-
Total Impairment Losses	70	508	-	-
Write-Offs				
Irrecoverable Debts	310	25	277	63
Inventory Write Downs and Stock Losses ^b	-	63	-	75
Total Write-Offs	310	88	277	138
Total Waivers, Impairment Losses and Write-Offs	380	596	277	138

a) The increase in Impairment Losses from Receivables mainly relates to Roads ACT (damage to Infrastructure Assets) and land use application fees.

b) The Inventory Write Downs relate to plants held for sale in Yarralumla Nursery due to plant losses.

**Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017**

NOTE 18 AUDITOR'S REMUNERATION

The Auditor's remuneration consists of financial audit services and the audit of Commonwealth grant acquittals by the ACT Audit Office to conduct the financial audit.

	2017	2016
	\$'000	\$'000
Audit Services		
Audit Fees Paid or Payable to the ACT Audit Office	347	222
Total Audit Services	347	222
Total Auditor's Remuneration	347	222

No other services were provided by the ACT Audit Office.

NOTE 19 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. As part of these arrangements, the Directorate does not receive any interest on these accounts except for the Inner North Reticulation Network bank account.

	2017	2016
	\$'000	\$'000
Cash on Hand	10	16
Cash at Bank ^a	17,710	11,953
Total Cash and Cash Equivalents	17,720	11,969

- a) The increase in Cash at Bank reflects the movements in Operating Assets and Liabilities (\$3.1m) (refer to Note 38 - *Cash Flow Reconciliation*) and the fund from Capital Metro Agency functions amalgamated with the Directorate as a result of the Administrative Arrangements on 1 July 2016 (\$2.6m).

**Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017**

NOTE 20 RECEIVABLES

	Note	2017 \$'000	2016 \$'000
Current Receivables			
Trade Receivables ^a		5,013	3,649
Less: Allowance for Impairment Losses		(719)	(325)
		4,294	3,324
Other Receivables		66	19
Receivables	35	4,360	3,343
Accrued Revenue		2,541	2,623
Net Goods and Services Tax Receivable		2,474	2,826
Total Current Receivables		9,375	8,792
Total Receivables		9,375	8,792

a) The increase in Trade Receivables is due to unpaid invoices from the Environment, Planning and Sustainable Development Directorate relating to the Asbestos Response Taskforce.

Ageing of Receivables

	Not Overdue	Overdue			Total
		Less than	30 to	Greater than	
		30 Days ^b	60 Days ^b	60 Days ^b	
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Not Impaired ^a					
Receivables	8,227	658	225	265	9,375
Impaired					
Receivables	-	-	-	719	719
2016					
Not Impaired ^a					
Receivables	8,165	368	45	214	8,792
Impaired					
Receivables	-	-	-	325	325

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

b) Overdue Receivables represent individual claims for damages to streetlight and traffic lights, the land use permit fees and linen services from the customers.

Transport Canberra and City Services Directorate
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NOTE 20 RECEIVABLES – CONTINUED

	2017	2016
	\$'000	\$'000
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	(325)	(473)
Additional Allowance Recognised During the Reporting Period	(517)	(222)
Reduction in Allowance from Amounts Recovered During the Reporting Period	-	217
Reduction in Allowance from Amounts Written off During the Reporting Period	119	153
Transferred out as part of Administrative Arrangements	4	-
Allowance for Impairment Losses at the End of the Reporting Period	(719)	(325)
Classification of ACT Government/Non-ACT Government Receivables		
Receivables from ACT Government Entities		
Net Trade Receivables	2,787	1,128
Accrued Revenue	331	383
Total Receivables from ACT Government Entities	3,118	1,511
Receivables from Non-ACT Government Entities		
Net Trade Receivables	1,507	2,196
Other Receivables	66	19
Accrued Revenue	2,210	2,240
Net Goods and Services Tax Receivable	2,474	2,826
Total Receivables from Non-ACT Government Entities	6,257	7,281
Total Receivables	9,375	8,792

Transport Canberra and City Services Directorate
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NOTE 21 INVENTORIES

	2017 \$'000	2016 \$'000
Current Inventories		
Inventories Held for Sale		
Raw Materials - at Net Realisable Value	124	82
Finished Goods - at Net Realisable Value	775	583
Total Inventories Held for Sale	899	665
Inventories Held for Distribution - at Cost ^a	1,691	153
Total Current Inventories	2,590	818
Total Inventories	2,590	818

Inventories Held for Sale primarily relate to Yarralumla Nursery and Capital Linen Service.

- a) The increase in Inventories Held for Distribution at Cost is mainly related to streetlight materials (mainly luminaires) purchased by Roads ACT due to the previous maintenance contract expiring 20 June 2016.

NOTE 22 OTHER ASSETS

	2017 \$'000	2016 \$'000
Current Other Assets		
Prepayments	685	346
Total Current Other Assets	685	346
Non-Current Other Assets		
Embedded derivatives for Light Rail Project ^a	750	-
Total Non-Current Other Assets	750	-
Total Other Assets	1,435	346

- a) Embedded derivatives for Light Rail project represents the initial recognition of benefit arising from the exercise of option to refinance the loan at a better interest rate in the future. The valuation of this option was done at 30 June 2017.

Transport Canberra and City Services Directorate
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NOTE 23 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment include the following classes of assets – Land, Buildings, Leasehold Improvements, Plant and Equipment, Infrastructure Assets, and Heritage and Community Assets. Property, Plant and Equipment do 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* include 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 public utilities that provide essential services including (in most cases) land under that infrastructure. Infrastructure assets held by the Directorate include bridges, stormwater assets, car parks, streetlights, community paths, traffic signals, driveways, signs, barriers and roads (excluding land under roads which is classified as a Community Asset).
- *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 roads.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2017 \$'000	2016 \$'000
LAND AND BUILDINGS		
Land at Fair Value ^a	39,414	78,681
Land Restoration at Fair Value (Waste Landfill Sites) ^b	28,298	26,579
Less Accumulated Depreciation - Land Restoration (Waste Landfill Sites)	(25,666)	(23,489)
Total Written Down Value of Land	42,046	81,771
Buildings at Fair Value ^a	36,483	52,683
Less: Accumulated Depreciation	(3,137)	(2,116)
Total Written Down Value of Buildings	33,346	50,567
Total Written Down Value of Land and Buildings	75,392	132,338
LEASEHOLD IMPROVEMENTS		
Leasehold Improvements at Fair Value ^c	1,418	353
Less: Accumulated Depreciation	(192)	(85)
Total Written Down Value of Leasehold Improvements	1,226	268
PLANT AND EQUIPMENT		
Plant and Equipment Under a Finance Lease		
Plant and Equipment Under a Finance Lease at Fair Value ^d	257	555
Less: Accumulated Depreciation	-	(187)
Total Written Down Value of Plant and Equipment Under Finance Lease	257	368
Owned Assets		
Plant and Equipment at Fair Value ^d	47,577	52,286
Less: Accumulated Depreciation	(5,408)	(16,812)
Less: Accumulated Impairment Losses	(47)	(70)
Total Written Down Value of Owned Plant and Equipment	42,122	35,404
Total Written Down Value of Plant and Equipment	42,379	35,772

- a) The decrease in assets primarily relates to the Administrative Arrangements that transferred the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as of 1 July 2016.
- b) Land Restoration assets were revalued at 30 June 2017. The valuations were conducted by internal officers to the Directorate based on estimates of future remediation costs.
- c) The increase in Leasehold Improvements primarily relates to the relocation of offices and its capitalisation of office accommodation fit-outs.
- d) Plant and Equipment assets were revalued as at 30 June 2017. The valuations were conducted by internal officers to the Directorate using the depreciated replacement cost method. Selected Plant and Equipment assets were revalued by Mr Cameron Dunsford (Certified Practising Valuer) from Rodney Hyman Asset Services Pty Limited using a combination of depreciated replacement costs and market value methods.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2017 \$'000	2016 \$'000
INFRASTRUCTURE ASSETS		
Roads		
Roads at Fair Value	2,421,335	2,443,762
Less: Accumulated Depreciation	(92,662)	(45,782)
Total Written Down Value of Roads	2,328,673	2,397,980
Bridges		
Bridges at Fair Value	1,040,695	1,031,650
Less: Accumulated Depreciation	(14,852)	-
Total Written Down Value of Bridges	1,025,843	1,031,650
Stormwater Assets		
Stormwater Assets at Fair Value	2,752,877	2,721,557
Less: Accumulated Depreciation	(43,319)	(327)
Less: Accumulated Impairment Losses	(1,500)	(1,500)
Total Written Down Value of Stormwater Assets	2,708,058	2,719,730
Cycle Paths and Footpaths		
Cycle Paths and Footpaths at Fair Value	147,784	124,701
Less: Accumulated Depreciation	(7,973)	-
Total Written Down Value of Cycle Paths and Footpaths^e	139,811	124,701
OTHER INFRASTRUCTURE ASSETS AT FAIR VALUE		
Other Infrastructure Assets		
Other Infrastructure Assets at Fair Value ^f	622,936	594,984
Less: Accumulated Depreciation	(19,448)	(15,240)
Less: Accumulated Impairment Losses	(3,469)	(3,408)
Total Written Down Value of Other Infrastructure	600,019	576,336
Total Written Down Value of Infrastructure	6,802,404	6,850,397

Other Infrastructure Assets consist of streetlights, fences, gates, irrigation systems, rock walls, signs, barriers, waste infrastructure, transmitters and traffic signals.

- e) Cycle Paths and Footpaths increased due to new assets being transferred to the Directorate from the Land Development Agency relating to newly completed suburbs.
- f) Components of Other Infrastructure Assets were revalued at 30 June 2017. The valuations were conducted by internal officers to the Directorate and Mr Cameron Dunsford (Certified Practising Valuer) from Rodney Hyman Asset Services Pty Limited and Mr Carlo King (Certified Practising Valuer) from Australian Valuation Office using the depreciated replacement cost method.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2017 \$'000	2016 \$'000
HERITAGE AND COMMUNITY ASSETS		
Land (Heritage and Community Assets) at Fair Value ^a	664,384	738,538
Land Under Roads at Fair Value ^g	1,561,541	1,464,401
Total Land (Heritage and Community Assets) at Fair Value	2,225,925	2,202,939
Library Materials		
Library Materials at Fair Value ^h	4,411	4,893
Total Written Down Value of Library Materials	4,411	4,893
Other Heritage and Community Assets		
Other Heritage and Community Assets at Fair Value ^h	34,023	40,250
Less: Accumulated Depreciation	(746)	(1,021)
Less: Accumulated Impairment Losses	-	(1)
Total Written Down Value of Other Heritage and Community Assets	33,277	39,228
Total Written Down Value of Heritage and Community Assets	2,263,613	2,247,060
Total Written Down Value of Property, Plant and Equipment	9,185,014	9,265,835

g) Land Under Roads was revalued at 30 June 2017. The valuations were conducted by internal officers to the Directorate using an industry standard costing approach.

h) Library Materials and Other Heritage and Community Assets were revalued at 30 June 2017. These valuations were conducted by Mr Cameron Dunsford (Certified Practising Valuer) from Rodney Hyman Asset Services Pty Limited using the depreciated replacement cost method.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2016-17.

	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	81,771	50,567	268	35,772	6,850,397	2,247,060	9,265,835
Additions ^a	800	933	1,064	3,513	210,903	2,524	219,737
Revaluation Increment recognised in Other Comprehensive Income	160	-	-	13,295	28,464	96,669	138,588
Impairment Losses Recognised in Other Comprehensive Income	-	-	-	-	(87)	-	(87)
Depreciation	(618)	(1,633)	(106)	(7,241)	(146,341)	(2,458)	(158,397)
Administrative Arrangements Transfers	(40,067)	(16,521)	-	(2,519)	(143,083)	(75,603)	(277,793)
Impairment Recognised in the Operating Surplus	-	-	-	20	-	-	20
Other Movements	-	-	-	(461)	2,151	(4,579)	(2,889)
Carrying Amount at the End of the Reporting Period	42,046	33,346	1,226	42,379	6,802,404	2,263,613	9,185,014

a) Additions to assets includes Capital Works in Progress Completed and Transferred to Property, Plant and Equipment (refer Note 26 – Reconciliation of Capital Works in Progress) and the Assets Received from the Private Developers and ACT Government agencies (refer to Note 9 – Other Gains).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 23 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 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 to assets includes Capital Works in Progress Completed and Transferred to Property, Plant and Equipment (refer Note 26 – Reconciliation of Capital Works in Progress) and the Assets Received from the Private Developers and ACT Government agencies (refer to Note 9 – Other Gains).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23 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 2017 are as follows:

Classification According to the Fair Value Hierarchy 2017				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment at Fair Value				
Land	-	39,414	2,632	42,046
Buildings	-	-	33,346	33,346
Leasehold Improvements	-	-	1,226	1,226
Plant and Equipment	-	1,413	40,966	42,379
Infrastructure Assets	-	-	6,802,404	6,802,404
Heritage and Community Assets	-	668,032	1,595,581	2,263,613
Total Fair Value	-	708,859	8,476,155	9,185,014

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	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'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

**Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017**

NOTE 23 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 are 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 Significant Unobservable Inputs

Valuation Technique: Land Restoration assets are valued using the depreciated replacement cost method based on an assessment of future remediation estimates.

Significant Unobservable 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.

Valuation Technique: Buildings, Leasehold Improvements, Infrastructure assets, Plant and Equipment assets and Community and Heritage assets were considered specialised assets by the valuer and internal officers of 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.

Significant Unobservable Inputs: Estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For Buildings, historical cost per square metre of floor area were also used in measuring fair value. For Infrastructure Assets the historical costs per unit of measure was also used in measuring fair value. In determining the value of Buildings, Leasehold Improvements, Infrastructure assets and Community and Heritage assets regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to 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.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23 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
2017						
Fair Value at the Beginning of the Reporting Period	3,091	50,567	268	33,764	6,850,397	1,508,555
Additions	-	933	1,064	3,339	210,903	2,524
Revaluation Increment Recognised in Other Comprehensive Income	160	-	-	13,062	28,464	92,987
Impairment Losses Recognised in Other Comprehensive Income	-	-	-	(58)	(87)	-
Depreciation	(618)	(1,633)	(106)	(7,161)	(146,341)	(2,458)
Administrative Arrangements Transfers	-	(16,521)	-	(1,717)	(143,083)	(1,448)
Impairment Losses Recognised in the Operating Surplus	-	-	-	78	-	-
Other Movements	(1)	-	-	(341)	2,151	(4,579)
Fair Value at the End of the Reporting Period	2,632	33,346	1,226	40,966	6,802,404	1,595,581

Total Gains for the Period included in Profit or Loss,
under 'Other Gains'

-

136

-

57

134,902

-

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23 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'

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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.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23 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 2017.

	2017 Number of Trees '000	2017 Actual Value \$'000	2016 Number of Trees '000	2016 Actual Value \$'000
Trees in Urban Open Space				
Native Species	316	88,411	315	84,944
Exotic Species	445	169,137	443	159,653
	761	257,548	758	244,597

NOTE 24 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.

	2017 \$'000	2016 \$'000
Computer Software		
<i>Internally Generated Software</i>		
Computer Software at Cost	9,240	8,174
Less: Accumulated Amortisation	(4,387)	(3,488)
Total Internally Generated Software	4,853	4,686
Total Intangible Assets	4,853	4,686
Reconciliation of Intangible Assets		
The following table shows the movement of Intangible Assets.		
Carrying Amount at the Beginning of the Reporting Period	4,686	5,825
Additions	1,447	279
Amortisation	(1,280)	(1,418)
Carrying Amount at the End of the Reporting Period	4,853	4,686

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 25 BIOLOGICAL ASSETS

	2017 \$'000	2016 \$'000
Standing Timber - at Independent Valuation	-	28,488
Total Non- Current Plantation	-	28,488
Represented by:		
Plantations		
Plantation Value at the Beginning of the Reporting Period	28,488	26,489
Pre-Commercial Plantations Value at the Beginning of the Reporting Period	15,262	15,220
Net movement due to change in Age Classes and Plantation Area	-	701
Less : Administrative Arrangements Transfers	(15,262)	-
Less: Transfer to Commercial Plantations	-	(659)
Pre-Commercial Plantations Value at the End of the Reporting Period	-	15,262
Commercial Plantations Value at the Beginning of the Reporting Period	13,226	11,269
Add: Transfer from Pre-Commercial Plantations	-	659
Net Movement due to Tree Growth and Thinning	-	2,642
Less : Administrative Arrangements Transfers	(13,226)	-
Less: Harvesting Removals	-	(1,344)
Commercial Plantations Value at the End of the Reporting Period	-	13,226
Plantation Value at the End of the Reporting Period^a	-	28,488

- a) The decrease in Biological assets is due to the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 26 CAPITAL WORKS IN PROGRESS

Capital Works in Progress are assets being constructed over periods of time in excess of the present reporting period. These assets often require extensive installation work, or integration with other assets, and contrast with simpler assets that are ready for use when 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 that are under construction include Light Rail, Buildings, Plant and Equipment, Infrastructure Assets, Heritage and Community Assets, and Software.

	2017	2016
	\$'000	\$'000
Buildings	820	347
Plant and Equipment	2,073	1,411
Infrastructure ^b	65,095	95,360
Heritage and Community	170	439
Software	513	602
Light Rail Project ^a	23,311	-
Total Capital Works in Progress	91,982	98,159

The Light Rail (LR) function amalgamated with the Directorate when the Capital Metro Agency ceased as a result of the Administrative Arrangements on 1 July 2016.

a) Capital Works in Progress for LR includes relevant costs incurred for the procurement and delivery phase that is broken down into the following categories:

- Employment Costs – All staff that have been directly involved in the project.
- Legal Costs – Legal and probity advisory costs.
- Consultants – Includes planning and design, cost estimation, traffic modelling, transport integration and transaction management advisors.
- Other Costs – Includes the evaluation room, design advisory panel, development application fees and issues management software.

b) The decrease in Infrastructure is primarily related to transfer of capital works in progress costs for Constitution Avenue upgrade works to the National Capital Authority (\$44.8m).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 26 CAPITAL WORKS IN PROGRESS – CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement of Capital Works in Progress during 2016-17.

	Heritage Community Works in Progress \$'000	Plant and Equipment Works in Progress \$'000	Infrastructure Works in Progress \$'000	Buildings Works in Progress \$'000	Leasehold Improvement Works in Progress \$'000	Software Works in Progress \$'000	Light Rail Project Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	439	1,411	95,360	347	-	602	-	98,159
Additions	182	6,537	106,146	911	350	2,134	10,411	126,671
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(14)	(4,984)	(76,402)	(345)	(312)	-	-	(82,057)
Capital Works in Progress Completed and Transferred to Intangible Assets	-	-	-	-	-	(1,442)	-	(1,442)
Capital Works in Progress Completed and Expensed	(95)	(891)	(11,425)	(7)	(38)	(781)	-	(13,237)
Capital Works in Progress Completed and Transferred to Provision for Restoration of Waste Landfill Sites Mugga Land and Belconnen	-	-	(3,696)	-	-	-	-	(3,696)
Administrative Arrangements Transfers	(342)	-	(88)	(86)	-	-	12,900	12,384
Capital Works in Progress Completed and Transferred to National Capital Authority	-	-	(44,800)	-	-	-	-	(44,800)
Carrying Amount at the End of the Reporting Period	170	2,073	65,095	820	-	513	23,311	91,982

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 26 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 Equipment Works in Progress \$'000	Infrastructure 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	560	1,942	117,295	493	-	195	120,485
Additions	3,308	4,765	133,320	468	279	662	142,802
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(1,037)	(4,338)	(129,019)	(469)	(216)	-	(135,079)
Capital Works in Progress Completed and Transferred to Intangible Assets	-	-	-	-	-	(241)	(241)
Capital Works in Progress Completed and Expensed	(2,020)	(938)	(21,187)	(124)	(63)	(14)	(24,346)
Capital Works in Progress Completed and Transferred to Provision for Restoration of Waste Landfill Sites	-	-	(3,479)	-	-	-	(3,479)
Mugga Land and Belconnen	-	-	-	-	-	-	-
Administrative Arrangements Transfers	(372)	(20)	(1,570)	(21)	-	-	(1,983)
Carrying Amount at the End of the Reporting Period	439	1,411	95,360	347	-	602	98,159

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 27 PAYABLES

	Note	2017 \$'000	2016 \$'000
Current Payables			
Trade Payables		1,523	2,801
Payables	35	1,523	2,801
Accrued Expenses ^a		33,167	23,164
Total Current Payables		34,690	25,965
Other Payables		750	-
Total Payables		35,440	25,965

Payables are aged as follows:

Not Overdue	34,600	25,875
Overdue for Less than 30 Days	763	50
Overdue for 30 to 60 Days	70	26
Overdue for More than 60 Days	7	14
Total Payables	35,440	25,965

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Trade Payables	37	23
Accrued Expenses	18,598	15,227
Total Payables with ACT Government Entities	18,635	15,250

Payables with Non-ACT Government Entities

Trade Payables	1,486	2,778
Other Payables	750	-
Accrued Expenses	14,569	7,937
Total Payables with Non-ACT Government Entities	16,805	10,715

Total Payables	35,440	25,965
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a) The increase in Accrued Expenses is due to large volume of goods and services accrued as these invoices were received after the end of the year.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 28 FINANCE LEASES

	Note	2017 \$'000	2016 \$'000
Current Interest-Bearing Liabilities			
Secured			
Finance Leases		103	190
Total Current Finance Leases		<u>103</u>	<u>190</u>
Total Current Interest-Bearing Liabilities		<u>103</u>	<u>190</u>
Non-Current Interest-Bearing Liabilities			
Secured			
Finance Leases		26	129
Total Non-Current Finance Leases		<u>26</u>	<u>129</u>
Total Non-Current Interest-Bearing Liabilities		<u>26</u>	<u>129</u>
Total Interest-Bearing Liabilities	35	<u><u>129</u></u>	<u><u>319</u></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.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 28 FINANCE LEASES – CONTINUED

	Note	2017 \$'000	2016 \$'000
Finance Leases			
Finance lease commitments are payable as follows:			
Within one year		106	197
Later than one year but not later than five years		26	132
Minimum Lease Payments	35	<u>132</u>	<u>329</u>
Less: Future Finance Lease Charges		(3)	(10)
Amount Recognised as a Liability		<u>129</u>	<u>319</u>
Total Present Value of Minimum Lease Payments		<u><u>129</u></u>	<u><u>319</u></u>
The present value of the minimum lease payments are as follows:			
Within one year		103	190
Later than one year but not later than five years		26	129
Total Present Value of Minimum Lease Payments		<u><u>129</u></u>	<u><u>319</u></u>
Classification on the Balance Sheet			
Interest-Bearing Liabilities			
Finance Leases			
Current Finance Leases		103	190
Non-Current Finance Leases		26	129
Total Interest-Bearing Liabilities		<u><u>129</u></u>	<u><u>319</u></u>

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.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 29 EMPLOYEE BENEFITS

	2017 \$'000	2016 \$'000
Current Employee Benefits		
Annual Leave	7,148	8,149
Long Service Leave	14,340	18,027
Accrued Salaries	525	314
Other Benefits	996	1,075
Total Current Employee Benefits	23,009	27,565
Non-Current Employee Benefits		
Long Service Leave	1,388	1,647
Total Non-Current Employee Benefits	1,388	1,647
Total Employee Benefits^a	24,397	29,212
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 months		
Annual Leave	7,147	8,149
Long Service Leave	1,677	1,749
Accrued Salaries	525	314
Other Benefits	996	1,075
Total Employee Benefits Payable within 12 months^b	10,345	11,287
Estimated Amount Payable after 12 months		
Long Service Leave	14,051	17,925
Total Employee Benefits Payable after 12 months^b	14,051	17,925
Total Employee Benefits	24,396	29,212

- a) At 30 June 2017, the Directorate employed 830 full-time equivalents (FTE) staff (943 FTE staff at 30 June 2016). The decrease in employee expenses is mainly due to 188 FTE for Parks and Conservation transferred to the Environment, Planning and Sustainable Development Directorate offset by the addition of 27 FTE from Capital Metro Agency's function and the general increase of 48 FTE.
- 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).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 30 OTHER PROVISIONS

	2017 \$'000	2016 \$'000
Current Other Provisions		
Provision for Infrastructure Costs ^a	-	7,800
Provision for Restoration of Waste Landfill Sites - Mugga Lane and Belconnen	2,895	3,367
Total Current Other Provisions	2,895	11,167
Non-Current Other Provisions		
Provision for Restoration of Waste Landfill Sites - Mugga Lane and Belconnen	25,403	23,212
Total Non-Current Other Provision	25,403	23,212
Total Other Provisions	28,298	34,379
Reconciliation of the Provision for Restoration of Waste Landfill Sites - Mugga Lane and Belconnen		
Provision for Restoration of Waste Landfill Sites at the Beginning of the Reporting Period	26,579	13,386
Reduction in Provision from Site-Works Undertaken	(3,696)	(3,480)
Increment in Provision due to a Change in Estimate ^b	5,415	16,673
Provision for Restoration at the End of the Reporting Period	28,298	26,579

a) The nil balance in Provision for Infrastructure Costs represents the invoice for Infrastructure costs have been settled in 2016-17.

b) The decrease in Increment in Provision is mainly due to a change in estimate for the future construction costs to restore the landfill sites associated with the Loose-Fill Asbestos Insulation-Eradication Scheme.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 31 OTHER LIABILITIES

	2017	2016
	\$'000	\$'000
Current Other Liabilities		
Revenue Received in Advance ^a	1,163	2,175
Project Funding Received in Advance	-	53
Lease Incentives ^b	13	-
Total Current Other Liabilities	1,176	2,228
Non-Current Other Liabilities		
Lease Incentives ^b	3	-
Total Other Liabilities	1,179	2,228

- a) The decrease in Revenue Received in Advance is mainly due to the transfer of several environmental projects such as the Googong Development and the Australian Alps Cooperation Management Program within Parks and Conservation to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 32 EQUITY

	2017 \$'000	2016 \$'000
Equity		
Accumulated Funds	5,587,863	5,705,802
Asset Revaluation Surplus	3,635,664	3,621,188
Total Equity	9,223,527	9,326,990

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	48,045	62,754
Increment on Revaluation	160	1,964
Administrative Arrangements Transfers ^a	(22,354)	-
Adjustment to Landfill Provision ^b	(5,415)	(16,673)
Balance at the End of the Reporting Period	20,436	48,045

Infrastructure Revaluation Surplus

Balance at the Beginning of the Reporting Period	2,440,139	2,390,363
Increment on Revaluation ^c	28,465	51,288
Impairment Adjustment	(87)	(1,512)
Administrative Arrangements Transfers	(50,967)	-
Balance at the End of the Reporting Period	2,417,550	2,440,139

Building Revaluation Surplus

Balance at the Beginning of the Reporting Period	24,333	24,727
Administrative Arrangements Transfers ^a	(7,950)	(394)
Balance at the End of the Reporting Period	16,383	24,333

Heritage and Community Assets Revaluation Surplus

Balance at the Beginning of the Reporting Period	1,106,917	1,102,876
Increment on Revaluation	96,668	8,917
Impairment Adjustment	-	(1)
Administrative Arrangements Transfers ^a	(37,243)	(4,875)
Balance at the End of the Reporting Period	1,166,342	1,106,917

Plant and Equipment Revaluation Surplus

Balance at the Beginning of the Reporting Period	1,754	1,944
Increment on Revaluation	13,295	-
Administrative Arrangements Transfers ^a	(116)	(236)
Impairment Adjustment	20	46
Balance at the End of the Reporting Period	14,953	1,754

Total Asset Revaluation Surplus	3,635,664	3,621,188
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Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 32 EQUITY – CONTINUED

	2017 \$'000	2016 \$'000
Movements In Asset Revaluation Surplus during the Reporting Period		
Administrative Arrangements Transfers^a	(118,630)	(5,505)
Net Revaluation Increment ^c	138,588	62,169
Adjustment to Landfill Provision ^b	(5,415)	(16,673)
Impairment Adjustment	(67)	(1,467)
Total Revaluation Increment	133,106	44,029
Net Increase in the Asset Revaluation Surplus	14,476	38,524

- a) These Asset Revaluation Surplus movements in 2016-17 represent the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.
- b) The decrease in the Landfill Provision is mainly due to a change in estimate for the future construction costs to restore the landfill sites associated with the Loose-Fill Asbestos Insulation Eradication Scheme.
- c) The Net Revaluation Increment is mainly due to an increase in land under roads as a result of a 3.6% increase in the unit costing (\$53.3m) as well as an increase in the square metre area of roads at 2.89% (\$43.8m).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 33 DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES

Year Ended 30 June 2017

	Output Class 1	Output Class 2	
	Transport Canberra	City Services	Total
	\$'000	\$'000	\$'000
Current Assets			
Cash and Cash Equivalents	8,294	9,426	17,720
Receivables	746	8,629	9,375
Inventories	75	2,515	2,590
Other Assets	300	385	685
Total Current Assets	9,415	20,955	30,370
Non-Current Assets			
Property, Plant and Equipment	2,894	9,182,120	9,185,014
Intangible Assets	3,480	1,373	4,853
Other Assets	750	-	750
Capital Works in Progress	22,980	69,002	91,982
Total Non-Current Assets	30,104	9,252,495	9,282,599
Total Assets	39,519	9,273,450	9,312,969
Current Liabilities			
Payables	4,564	30,126	34,690
Finance Leases	-	103	103
Employee Benefits	2,503	20,505	23,008
Other Provisions	-	2,895	2,895
Other Liabilities	-	1,176	1,176
Total Current Liabilities	7,067	54,805	61,872
Non-Current Liabilities			
Payables	750	-	750
Finance Leases	-	26	26
Employee Benefits	169	1,219	1,388
Other Provisions	-	25,403	25,403
Other Liabilities	-	3	3
Total Non-Current Liabilities	919	26,651	27,570
Total Liabilities	7,986	81,456	89,442
Net Assets	31,533	9,191,994	9,223,527

The comparative information for 2015-16 is reflected in the Balance Sheet as there was only one output class as of 30 June 2016.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2017

NOTE 34 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Restructure of Administrative Arrangements 2016-17

Administrative Arrangements 2016 (No. 3) notifiable instrument NI2016-178 came into effect on 1 July 2016, which resulted in:

- the Parks and Conservation function transferred from the Directorate to the Environment, Planning and Sustainable Development Directorate (EPSDD), the total value of net assets transferred was \$301m;
- the Active Travel Office (walking and cycling) office that provides guidance on active transport strategy and planning was transferred from EPSDD to the Directorate; there were no assets transferred; and
- the Capital Metro Agency ceased as a separate reporting entity and its functions amalgamated with the Directorate, the total value of assets transferred was \$13.5m.

Administrative Arrangements 2016 (No. 5) notifiable instrument NI2016-693 came into effect on 19 December 2016, which resulted in the transfer of Waste policy from the EPSDD to the Directorate.

Restructure of Administrative Arrangements 2015-16

Administrative Arrangements 2016 (No. 1) notifiable instrument NI2016-41 transferred the National Arboretum Canberra to the Chief Minister, Treasury and Economic Development Directorate effective 22 January 2016.

Assets and Liabilities

The Assets and Liabilities transferred in/(out) as part of the Administrative Arrangements at the dates of transfer were as follows:

	Transferred In/(Out) 2016-17 \$'000	Transferred In/(Out) 2015-16 \$'000
Assets		
Cash and Cash Equivalents	1,719	(352)
Receivables	(1,158)	(134)
Inventories	(49)	(12)
Other Assets	11	-
Property, Plant and Equipment	(277,793)	(52,189)
Biological Assets	(28,488)	-
Capital Works in Progress	12,384	(1,983)
Total Assets Transferred Out	(293,374)	(54,670)
Liabilities		
Payables	40	(86)
Employee Benefits	(5,121)	(299)
Other Liabilities	(820)	(201)
Total Liabilities Transferred Out	(5,901)	(586)
Total Net Assets Transferred Out	(287,473)	(54,084)

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 35 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 (see Appendix B) *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 provision 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 on hand and cash at bank 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 the 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 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.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 35 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	Carrying	Fair Value	Carrying	Fair Value
	No.	Amount	Amount	Amount	Amount
		2017	2017	2016	2016
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and Cash Equivalents	19	17,720	17,720	11,969	11,969
Receivables	20	4,360	4,360	3,343	3,343
Embedded derivatives for Light Rail Project	22	750	750	-	-
Total Financial Assets		22,830	22,830	15,312	15,312
Financial Liabilities					
Payables	27	1,523	1,523	2,801	2,801
Option Premium Payable	27	750	750	-	-
Finance Leases	28	129	129	319	319
Total Financial Liabilities		2,402	2,402	3,120	3,120

Accrued revenue and expenses have been excluded as they do not meet the definition of a financial instrument.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 35 FINANCIAL INSTRUMENTS – CONTINUED

Fair Value Hierarchy

The carrying amount of financial assets measured at fair value, as well as the methods used to estimate the fair value are summarised in the table below. All other financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not included in the table below.

2017

	<u>Classification According to Fair Value</u>			Total
	Level 1	Level 2	Level 3	
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Embedded derivatives for Light Rail Project			750	750
	-	-	750	750

In 2016 the Directorate's financial Assets and Liabilities were measured, subsequent to initial recognition, at amortised cost and as such were not subject to the Fair Value Hierarchy.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 35 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 2017. 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								
Cash and Cash Equivalents	19	2.37%	115	-	-	-	17,605	17,720
Receivables	20	-	-	-	-	-	4,360	4,360
Embedded derivatives for Light Rail Project	22	-	-	-	-	-	750	750
Total Financial Assets			115	-	-	-	22,715	22,830
Financial Liabilities								
Payables	27	-	-	-	-	-	1,523	1,523
Option Premium Payable	27	-	-	-	-	-	750	750
Finance Leases	28	3.61%	-	106	26	-	-	132
Total Financial Liabilities			-	106	26	-	2,273	2,405
Net Financial Assets/(Liabilities)								
			115	(106)	(26)	-	20,442	20,425

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 35 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								
Cash and Cash Equivalents	19	-	-	-	-	-	11,969	11,969
Receivables	20	-	-	-	-	-	3,343	3,343
Total Financial Assets			-	-	-	-	15,312	15,312
Financial Liabilities								
Payables	27	-	-	-	-	-	2,801	2,801
Finance Leases	28	7.43%	-	197	132	-	-	329
Total Financial Liabilities			-	197	132	-	2,801	3,130
Net Financial (Liabilities)/Assets								
			-	(197)	(132)	-	12,511	12,182

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 35 FINANCIAL INSTRUMENTS – CONTINUED

	2017 \$'000	2016 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables measured at Amortised Cost	4,360	3,343
Financial Liabilities		
Financial Liabilities measured at Amortised Cost	1,652	3,120
Financial Liabilities measured at Fair Value	750	-

As part of the arrangement, where the operator's credit margin at any refinancing point is lower than that assumed in the Financial Model, the Territory will require the refinancing gain to be shared on a 50/50 arrangement (after allowing for the recoupment by the operator of any prior refinancing losses). The Territory is also entitled to 100% of any refinancing gain arising from a change in the manner or timing of payment of a Territory Contribution.

The refinancing gain is an embedded derivative which is not closely related to the host contract and therefore must be separated and accounted for at fair value through profit and loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The derivative has been fair valued using a probability weighted scenario approach, being a level 3 valuation. The valuation has been undertaken by determining a set of scenarios that would result in a refinancing gain and assigning probabilities to those scenarios. Each scenario contains the credit ratings and credit spreads at each assumed refinancing date. The fair value of the embedded derivative is the probability-weighted sum of the refinancing gains associated with the scenarios.

The fair value of the embedded derivative at 30 June 2017 is \$750,000 (2016: \$0) considering inputs such as credit margin, volatility of credit margin and time to maturity. A degree of judgement is required in establishing the fair value. Changes in assumptions relating to inputs could affect the fair value of the embedded derivative. The volatility of credit margin is deemed a significant unobservable input and any adjustment within a reasonable possible range could significantly impact the fair value of the embedded derivative. The valuation has been determined using the midpoint of a reasonably possible range.

Significant unobservable input	Range	Sensitivity of fair value to the input (\$000s)	
		Value at volatility of 35%	Value at volatility of 55%
Volatility of credit margin	35% to 55%	\$520	\$980

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 36 COMMITMENTS

Capital Commitments

Capital Commitments contracted at the reporting date that have not been recognised as liabilities, are payable as follows:

	2017	2016
	\$'000	\$'000
Capital Commitments		
Payable:		
Within one year	72,043	47,464
Later than one year but not later than five years	15,697	766
Total Capital Commitments^a	87,740	48,230

a) The increase in Capital Commitments are mainly due to large road projects in the Gungahlin, Weston and Tuggeranong areas.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 36 COMMITMENTS – CONTINUED

Other Commitments

Other Commitments contracted at the reporting date that have not been recognised as liabilities, are payable as follows:

	2017	2016
	\$'000	\$'000
Payable:		
Within one year ^b	68,360	50,451
Later than one year but not later than five years ^c	115,487	151,079
Later than five years ^c	6,881	34,758
Total Other Commitments	190,728	236,288

b) Other Commitments relate to maintenance contracts in regard to the amenity of the city, public transport and software subscriptions. The increase in Payable within one year is mainly due to the negotiation of new contracts in relation to ACT NOWaste and Green Waste collection, road re-surfacing, Light Rail Stage 2, street light maintenance, and a whole of government contract in relation to street and traffic light electricity supply.

c) The Commitments have decreased in the future years, due to shorter contracts.

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 2016-17 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	4,619	6,596
Later than one year but not later than five years	3,994	7,571
Later than five years	41	55
Total Operating Lease Commitments^d	8,654	14,222

d) The decrease primarily relates to the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 36 COMMITMENTS – CONTINUED

Public Private Partnership Finance Lease Commitments

Public Private Partnerships commitments relate to the Territory entering into a 20 year public private partnership on 25 May 2016 with the Canberra Metro Consortium (See Appendix B Note 36 *Commitments - Public Private Partnership*).

	2017	2016
	\$'000	\$'000
Payable:		
Later than one year but not later than five years	475,485	446,939
Later than five years	461,595	490,141
Minimum Lease Payments	937,080	937,080
Less: Future Finance Lease Charges		
Later than one year but not later than five years	70,762	53,098
Later than five years	162,366	180,030
Total Future Finance Lease Charges	233,128	233,128
Present Value of Minimum Lease Payments		
Later than one year but not later than five years	404,723	393,841
Later than five years	299,229	310,111
Total Present Value of Minimum Lease Payments	703,952	703,952

Public Private Partnership Finance Lease payments are GST Exclusive.

Public Private Partnership Operational Commitments

Payable:		
Later than one year but not later than five years	100,403	73,109
Later than five years	611,869	639,163
Total Public Private Partnership Operational Commitments	712,272	712,272
Total Public Private Partnership Commitments	1,649,352	1,649,352

**Public Private Partnership Operational Commitments
(Includes GST)**

Payable:		
Later than one year but not later than five years	110,444	80,420
Later than five years	673,055	703,079
Total Public Private Partnership Operational Commitments (Includes GST)	783,499	783,499

Territory-retained risks are not included in the above figures. Territory-retained risks include, for example, decisions that result in significant variations to the light rail system, legislative changes that affect the project and other project risks such as certain utilities and planning risks. As these risks are retained by the Territory, additional costs associated with such risks are borne by the Territory and these risks did not classify as commitments to the Canberra Metro Consortium in accordance with Australian Accounting Standards hence these risks are not included in the above figures.

All amounts shown in the commitment note are inclusive of Goods and Services Tax except Public Private Partnership Finance Lease payments.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 37 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:

	2017	2016
	\$'000	\$'000
Legal Claims ^a	373	340
Contaminated Sites ^b	87,500	81,100
Total Contingent Liabilities	87,873	81,440

- a) The ACT Government Solicitor is acting for the Directorate in relation to 71 individual unresolved matters of public liability at 30 June 2017 (66 at 30 June 2016). 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 189 sites at 30 June 2017 (175 at 30 June 2016) 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 Appendix B: Note 37 - Contingent Liabilities and Contingent Assets.

In addition to the above, the Directorate has a unquantifiable contingent liability for a potential claim under the *Land Acquisition Act* for the compulsory acquisition of Block 18 Section 33 Dickson, but until such time as the claim is made, the ACT Valuation Office is unable to calculate the likely amount payable on the basis that there are too many unknown variables in calculating the amount of a potential claim.

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.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 38 CASH FLOW RECONCILIATION

	2017 \$'000	2016 \$'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	17,720	11,969
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	17,720	11,969
(b) Reconciliation of Operating (Deficit) to Net Cash Inflows from Operating Activities		
Operating (Deficit)	(75,595)	(21,660)
Add/(Less) Non-Cash Items		
Depreciation of Property, Plant and Equipment	158,397	148,270
Amortisation of Intangibles	1,280	1,418
Write-off/Loss on Disposal of Assets	2,704	181
Expensing of Capital Works in Progress	13,245	24,303
Assets Transferred to Other ACT Government Entities	196	133
Transfer of Constitution Avenue Upgrade to National Capital Authority	44,800	-
Assets Transferred from Other ACT Government Entities and Private Developers	(135,095)	(128,158)
Assets Located during Stocktake	(17)	(69)
Revaluation and Asset Adjustments	146	(1,999)
Other Non-Cash Items		
Transfers as a Result of Administrative Arrangements	5,019	440
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Disposal of Non-Current Assets	(121)	(38)
Cash Before Changes in Operating Assets and Liabilities	14,959	22,821
Changes in Operating Assets and Liabilities		
(Increase) in Receivables	(583)	(1,334)
(Increase) in Inventories	(1,772)	(13)
(Increase) in Other Assets	(339)	(130)
Increase/(Decrease) in Payables	5,505	(2,719)
(Decrease)/Increase in Employee Benefits	(4,816)	1,441
(Decrease)/Increase in Other Liabilities	(1,049)	326
Net Changes in Operating Assets and Liabilities	(3,054)	(2,429)
Net Cash Inflows from Operating Activities	11,905	20,392

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 39 EVENTS OCCURRING AFTER BALANCE DATE

A change to the ACT Government came into effect on 1 July 2017 through notifiable instrument NI2017-329 Administrative Arrangements 2017 (No 1).

- Sportsgrounds management function, which provides facilities for the sporting community through the maintenance of the sporting grounds and facilities will be transferred to the Directorate from the Chief Minister, Treasury and Economic Development Directorate on 1 July 2017. The transfer of this function includes the transfer of 24 staff to the Directorate along with a total value of net assets of \$0.35 million.
- Transport planning function is responsible for integrated transport strategic planning and the implementation of key planning documents relating to the Transport for Canberra policy. This function is being transferred to the Directorate from the Environment, Planning and Sustainable Development Directorate. The transfer of this function mainly involved the transfer of 4 staff to the Directorate.

The financial impact of this Administrative Arrangement is not reflected in these financial statements.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2017

NOTE 40 RELATED PARTY DISCLOSURES

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

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Directorate, directly or indirectly.

KMP of the Directorate are the Portfolio Minister, Director-General and certain members of the Senior Executive Team.

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

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

(a) Controlling Entities

The Directorate is an ACT Government controlled entity.

(b) Key Management Personnel

(i) Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the financial year ended 30 June 2017. The Directorate did not provide any compensation directly to its Portfolio Minister.

Compensation of the Head of Service is included in the note on related party disclosures, included in the Chief Minister, Treasury and Economic Development Directorate's financial statements for the financial year ended 30 June 2017. The Directorate did not provide any compensation directly to the Head of Service.

Total compensation for the Director-General and others assessed to be KMP of the Directorate who are paid by the Directorate are set out below.

	2017
	\$'000
Short-term employee benefits	1,890
Post employment benefits	231
Other long-term benefits	44
Total Compensation by the Directorate to KMP	2,165

**Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017**

NOTE 40 RELATED PARTY DISCLOSURES - CONTINUED

(ii) Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Directorate.

(iii) Transactions with parties related to Key Management Personnel

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

(c) Transactions with other ACT Government Controlled Entities

All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial statements of the Directorate.

Transport Canberra and City Services Directorate **Notes to and Forming Part of the Financial Statements** **For the Year Ended 30 June 2017**

NOTE 41 BUDGETARY REPORTING

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: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (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		Variance Explanations
	2017 \$'000		2017 \$'000		\$'000	%	
Other Gains	136,190		153,790		(17,600)	(11.44)	The \$17.6m variance is due to fewer assets than expected assets transferred from; Land Development Agency (\$34.0m) and private developers (\$46.0m), offset by an unbudgeted transfer of assets from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) (\$60.0m).
Employee Expenses	68,395		60,685		7,710	12.70	The \$7.7m variance is due to higher than budgeted expense amounts for; workers compensation insurance premiums (\$2.0m), annual leave payments (\$1.8m), redundancy payments (\$0.9m), salary and wages (\$3.0m) due to general increase of 21 FTE.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 41 BUDGETARY REPORTING - CONTINUED

Operating Statement Line Items	Actual	Original	Variance		Variance Explanations
	2017 \$'000	Budget ¹ 2017 \$'000			
Other Expenses	61,549	255	61,294	24,036.86	The \$61.3m variance is due to the unbudgeted expense amounts for; the transfer of the Constitution Avenue upgrade works to the National Capital Authority (\$44.8m), expensing of costs from capital projects that did not meet asset recognition criteria in accordance with Australian Accounting Standards (\$13.2m), removal of 12 artworks that are currently also recorded on CMTEDD's asset register (\$1.3m), disposal of Materials Recovery Facility equipment (\$0.8m).
Asset Revaluation Surplus	14,476	(123,112)	137,588	(111.76)	The \$137.6m variance is due to the unbudgeted asset revaluation increases for; Infrastructure assets (\$28.5m), Heritage and Community Assets (\$96.7m), Plant and Equipment assets (\$13.3m), offset by unbudgeted Landfill provision (\$5.4m) less than budgeted transfer of existing asset revaluation surplus for the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate (\$4.5m).

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 41 BUDGETARY REPORTING - CONTINUED

Balance Sheet Line Items	Actual		Original Budget ¹		Variance		Variance Explanations
	2017	\$'000	2017	\$'000	\$'000	%	
Current Receivables	9,375		6,927		2,448	35.34	The \$2.4m variance is due to unpaid invoices from EPSDD relating to Asbestos Response Taskforce and higher revenue associated with the Loose-Fill Asbestos Insulation Eradication Scheme. Invoices for part of these revenue were raised after the end of the year.
Current Payables	34,690		27,800		6,890	24.78	The \$6.9m variance is due to a large volume of goods and services accrued at the end of 2016-17. These amounts were not anticipated in the budget.
Non-Current Other Provisions	25,403		13,386		12,017	89.77	The \$12.0m variance is due to higher than expected future remediation costs to restore the landfill sites.

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 (2016-17 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 41 BUDGETARY REPORTING - CONTINUED

Cash Flow Statement Line Items	Actual 2017 \$'000	Original Budget ¹		Variance %	Variance Explanations
		2017 \$'000	Variance \$'000		
Employee	68,180	59,415	8,765	14.75	The \$8.8m variance is due to higher than budgeted expense amounts for; workers compensation premium (\$2.0m), annual leave payments (\$1.8m), redundancy payments (\$0.9m), salary and wages (\$3.0m) due to general increase of 21 FTE from an internal restructure.
Payments for Capital Works in Progress	131,398	218,487	(87,089)	(39.86)	The \$87.1m variance is due to lower than budgeted payments for the capital works projects; Light Rail Stage 1 (\$55.0m), roads infrastructure (\$20.0m) and public transport projects (\$12.0m). These projects deferred to 2017-18 due to delays in planning and construction work.
Capital Injections	138,803	231,685	(92,882)	(40.09)	The \$92.9m variance is due to lower than budgeted payments for the capital works projects; Light Rail Stage 1 (\$55.0m), roads infrastructure (\$26.0m) and public transport projects (\$12.0m). These projects deferred to 2017-18 due to delays in planning and construction work.
Capital Payments to ACTION	12,304	14,495	(2,191)	(15.12)	The lower than budgeted result relates to a delay in the bus replacement program.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

TERRITORIAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2017**

Transport Canberra and City Services Directorate
Statement of Income and Expenses on Behalf of the Territory
For the Year Ended 30 June 2017

	Note	Actual	Original	Actual
	No.	2017	Budget	2016
		\$'000	\$'000	\$'000
Income				
<i>Revenue</i>				
Fees and Fines	43	16,255	17,455	16,276
Land Sales Revenue	44	-	51,419	21,476
Interest	45	-	2,897	4,873
Other Revenue	46	-	-	161
<i>Total Revenue</i>		16,255	71,771	42,786
Total Income		16,255	71,771	42,786
Expenses				
Transfer to Government	47	16,255	71,771	42,786
Total Expenses		16,255	71,771	42,786
Operating Surplus/(Deficit)		-	-	-

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.

**Transport Canberra and City Services Directorate
Statement of Assets and Liabilities on Behalf of the Territory
At 30 June 2017**

	Note	Actual	Original	Actual
	No.	2017	Budget	2016
		\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents	48	(1)	-	18
Receivables	49	1,765	24,237	59,479
Inventories	50	-	-	133
Total Current Assets		1,764	24,237	59,630
Total Assets		1,764	24,237	59,630
Current Liabilities				
Payables	51	1,764	24,237	59,630
Total Current Liabilities		1,764	24,237	59,630
Total Liabilities		1,764	24,237	59,630
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 Changes in Equity on Behalf of the Territory has not been prepared.

Transport Canberra and City Services Directorate
Cash Flow Statement on Behalf of the Territory
For the Year Ended 30 June 2017

	Note No.	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Cash Flows from Operating Activities				
Receipts				
Fees and Fines		16,393	17,455	16,881
Goods and Services Tax Collected from Customers		1,827	-	1,781
Land Sales		-	53,144	79,356
Interest Received		-	2,897	4,873
Other Receipts		-	-	27
Total Receipts from Operating Activities		18,220	73,496	102,918
Payments				
Transfer of Territory Receipts to the ACT Government		16,415	71,664	101,095
Goods and Services Tax Remitted to the Australian Taxation Office		1,824	-	1,805
Other		-	1,832	-
Total Payments from Operating Activities		18,239	73,496	102,900
Net Cash (Outflows) from Operating Activities	53	(19)	-	18
Net Increase in Cash and Cash Equivalents		(19)	-	18
Cash and Cash Equivalents at the Beginning of the Reporting Period		18	-	-
Cash and Cash Equivalents at the End of the Reporting Period	53	(1)	-	18

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

Transport Canberra and City Services Directorate **Territorial Note Index of the Financial Statements** **For the Year Ended 30 June 2017**

Note	42	Significant Accounting Policies - Territorial Appendix A – Basis of Preparation of the Financial Statements Appendix B – Significant Accounting Policies
	Income Notes	
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Note	44	Land Sales Revenue - Territorial
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Note	46	Other Revenue - Territorial
	Expenses Notes	
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Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 42 SIGNIFICANT ACCOUNTING POLICIES – TERRITORIAL

All accounting policies are contained in the Appendices A and B referred to in Note 2: *Significant Accounting Policies*. The policies outlined in Note 2 Appendices A and B apply to both the Controlled and Territorial Financial Statements.

The majority of Territorial revenues relate to land sales to the Land Development Agency and fees associated with the acceptance of commercial and industrial waste to landfill.

NOTE 43 FEES AND FINES – TERRITORIAL

	2017	2016
	\$'000	\$'000
Fees		
Waste Acceptance Fees	15,909	15,906
Dog Registration Fees	230	225
Other Fees ^a	103	134
Total Fees	16,242	16,265
Fines		
Other Fines	13	11
Total Fines	13	11
Total Fees and Fines	16,255	16,276

a) Other Fees largely related to Domestic Animal Services.

NOTE 44 LAND SALES REVENUE – TERRITORIAL

	2017	2016
	\$'000	\$'000
Land Sales Revenue		
Land Sales ^a	-	21,476
Total Land Sales Revenue	-	21,476

a) Land is sold to the Land Development Agency in accordance with the ACT Government's land release program (see Appendix B - Note 44 *Significant Accounting Judgement and Estimates – Land Sales Revenue*). This Land Sales function within Parks and Conservation transferred to the Environment, Planning and Sustainable Development Directorate as part of the Administrative Arrangements on 1 July 2016, resulting in a nil balance in 2017.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 45 INTEREST – TERRITORIAL

	2017 \$'000	2016 \$'000
Interest Received		
Interest ^a	-	4,873
Total Interest Received	<u>-</u>	<u>4,873</u>

- a) The Land Development Agency pays the Directorate interest relating to land held for sale. The charge is based on commercial interest rates applied for the holding period (see Appendix B Note 45 *Significant Accounting Judgement and Estimates – Interest on Land Sale*). The decrease is due to the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

NOTE 46 OTHER REVENUE – TERRITORIAL

Other Revenue

Other Revenue relates to the recovery of debts previously written off as uncollectible and land transferred from the Controlled financial statements.

	2017 \$'000	2016 \$'000
Other Revenue		
Other Revenue ^a	-	161
Total Other Revenue	<u>-</u>	<u>161</u>

- a) Other Revenue in 2015-16 represents 267 hectares of land transferred from Controlled and the decrease is due to the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

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.

	2017	2016
	\$'000	\$'000
Payments to the Territory Banking Account	16,255	42,786
Total Transfer to Government	16,255	42,786

NOTE 48 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.

	2017	2016
	\$'000	\$'000
Cash at Bank ^a	(1)	18
Total Cash and Cash Equivalents	(1)	18

a) The Cash at Bank balance in 2016-17 represents unpresented cheques.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 49 RECEIVABLES – TERRITORIAL

	2017 \$'000	2016 \$'000
Current Receivables		
Trade Receivables	1,692	1,822
Less: Allowance for Impairment Losses	-	(13)
	1,692	1,809
Accrued Revenue ^a	73	57,670
Total Current Receivables	1,765	59,479
Total Receivables	1,765	59,479

a) The balance of the Accrued Revenue in 2015-16 represents Land Sales to the Land Development Agency. The decrease is due to the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Ageing of Receivables

	Not Overdue \$'000	Overdue			Total \$'000
		Less than 30 Days \$'000	30 to 60 Days \$'000	Greater than 60 Days \$'000	
2017					
Not Impaired^a					
Receivables	1,765	-	-	-	1,765
2016					
Not Impaired^b					
Receivables	59,474	-	2	3	59,479
Impaired					
Receivables	-	-	-	13	13

a) There were no Receivables overdue or impaired.

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

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 49 RECEIVABLES – TERRITORIAL – CONTINUED

	2017 \$'000	2016 \$'000
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	13	48
Additional Allowance Recognised During the Reporting Period	12	6
Reduction in Allowance from Amounts Recovered During the Reporting Period ^a	(13)	(29)
Reduction in Allowance from Amounts Written off During the Reporting Period	(12)	(12)
Allowance for Impairment Losses at the End of the Reporting Period	-	13

a) Amount included in bad debts recovered

Classification of ACT Government/Non-ACT Government Receivables

Receivables with ACT Government Entities

Trade Receivables	-	61
Accrued Revenue ^a	-	57,572
Total Receivables with ACT Government Entities	-	57,633

Receivables with Non-ACT Government Entities

Trade Receivables	1,692	1,748
Accrued Revenue	73	98
Total Receivables with Non-ACT Government Entities	1,765	1,846

Total Receivables	1,765	59,479
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a) Accrued Revenue in 2015-16 represents Land Sales to the Land Development Agency and the decrease is due to the transfer of the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 50 INVENTORIES – TERRITORIAL

	2017 \$'000	2016 \$'000
Current Inventories		
Inventories Held for Sale		
Inventories Land Held for Sale ^a	-	133
Total Inventories Held for Sale	<u>-</u>	<u>133</u>
Total Inventories	<u>-</u>	<u>133</u>

- a) Inventories Held for Sale in 2015-16 represents 267 hectares of land transferred from the Controlled financial statements. This has been transferred to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

NOTE 51 PAYABLES – TERRITORIAL

	2017 \$'000	2016 \$'000
Current Payables		
Net Goods and Services Tax Payable	142	139
Accrued Expenses ^a	1,622	59,491
Total Current Payables	<u>1,764</u>	<u>59,630</u>
Total Payables	<u>1,764</u>	<u>59,630</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 mainly due to the Land Sales function transferred with the Parks and Conservation function to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

Payables are Aged as Follows:

Not Overdue	1,764	59,630
Total Payables	<u>1,764</u>	<u>59,630</u>

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Accrued Expenses	1,622	59,491
Total Payables with ACT Government Entities	<u>1,622</u>	<u>59,491</u>

Payables with Non-ACT Government Entities

Net Goods and Services Tax Payable	142	139
Total Payables with Non-ACT Government Entities	<u>142</u>	<u>139</u>
Total Payables	<u>1,764</u>	<u>59,630</u>

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements - Territorial

For the Year Ended 30 June 2017

NOTE 52 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 prior year interest rate relating to holding charges applied to the Land Development Agency is set by the ACT Government prospectively.

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.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 52 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 2017 \$'000	Fair Value 2017 \$'000	Carrying Amount 2016 \$'000	Fair Value 2016 \$'000
Financial Assets					
Cash and Cash Equivalents	48	(1)	(1)	18	18
Receivables	49	1,692	1,692	1,809	1,809
Total Financial Assets		1,691	1,691	1,827	1,827
Financial Liabilities					
Payables	51	-	-	-	-
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.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 52 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 2017. 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							
48	-	-	-	-	-	(1)	(1)
49	-	-	-	-	-	1,692	1,692
Total Financial Assets		-	-	-	-	1,691	1,691
Financial Liabilities							
51	-	-	-	-	-	-	-
Total Financial Liabilities		-	-	-	-	-	-
Net Financial Assets		-	-	-	-	1,691	1,691

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 52 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 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	48	-	-	-	-	-	18	18
Receivables	49	-	-	-	-	-	1,809	1,809
Total Financial Assets			-	-	-	-	1,827	1,827
Financial Liabilities								
Net Financial Assets								
		-	-	-	-	-	1,827	1,827

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 52 FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED

	2017 \$'000	2016 \$'000
Carrying Amount of Each Class of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables Measured at Amortised Cost	1,692	1,809

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 53 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.

	2017 \$'000	2016 \$'000
Total Cash and Cash Equivalents Recorded on the Statement of Assets and Liabilities on Behalf of the Territory	(1)	18
Cash at the end of the Reporting Period as Recorded in the Cash Flow Statement on Behalf of the Territory	(1)	18

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

Operating Surplus/(Deficit)	-	-
Add/(Less) Items Classified as Investing or Financing	-	-
Cash Before Changes in Operating Assets and Liabilities	-	-
Changes in Operating Assets and Liabilities		
Decrease in Receivables	57,713	58,485
(Decrease) in Payables	(57,865)	(58,334)
Decrease/(Increase) in Inventory	133	(133)
Net Changes in Operating Assets and Liabilities	(19)	18
Net Cash Inflows from Operating Activities	(19)	18

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements - Territorial

For the Year Ended 30 June 2017

NOTE 54 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - TERRITORIAL

Restructure of Administrative Arrangements 2016-17

Administrative Arrangements 2016 (No 3) notifiable instrument NI2016-178 came into effect on 1 July 2016, the Parks and Conservation function transferred from the Directorate to the Environment, Planning and Sustainable Development Directorate.

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) Amounts 2017 \$'000	Transferred (Out) Amounts 2016 \$'000
Assets		
Inventories	133	-
Receivables	57,572	-
Total Assets Transferred	57,705	-
Liabilities		
Payables	57,705	-
Total Liabilities Transferred	57,705	-
Total Net Assets Transferred	-	-

NOTE 55 RELATED PARTY DISCLOSURES – TERRITORIAL

Refer to Note 41 *Related Party Disclosures* in the Controlled Financial Statements.

Transport Canberra and City Services Directorate **Notes to and Forming Part of the Financial Statements - Territorial** **For the Year Ended 30 June 2017**

NOTE 56 BUDGETARY REPORTING – TERRITORIAL

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met:

- (a) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (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		Original Budget ¹		Variance		Variance Explanations
	2017		2017		Variance		
	\$'000		\$'000		\$'000		
Transfer to Government	16,255		71,771		(55,516)	(77.35)	The variance of \$55.5m is due to the transfer of the Land Sales function from the Directorate to the Environment, Planning and Sustainable Development Directorate as part of Administrative Arrangements on 1 July 2016 (No. 3) notifiable instrument NI2016-178 that were not anticipated in the budget.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2017

NOTE 56 BUDGETARY REPORTING – TERRITORIAL

Statement of Assets and Liabilities on Behalf of the Territory Line Items	Actual		Original Budget ¹		Variance		Variance Explanations
	2017	\$'000	2017	\$'000	Variance	%	
Current Receivables	1,765		24,237		(22,472)	(92.72)	The variance of \$22.5m is due to the transfer of the Land Sales function from the Directorate to the Environment, Planning and Sustainable Development Directorate as part of Administrative Arrangements on 1 July 2016 (No. 3) notifiable instrument NI2016-178 that were not anticipated in the budget.
Current Payables	1,764		24,237		(22,473)	(92.72)	The variance of \$22.5m is due to the transfer of the Land Sales function from the Directorate to the Environment, Planning and Sustainable Development Directorate as part of Administrative Arrangements on 1 July 2016 (No. 3) notifiable instrument NI2016-178 that were not anticipated in the budget.
Statement of Changes in Equity							These line items are covered in other financial statements.
Statement of Cash Flows							
Transfer of Territory Receipts to the ACT Government	16,415		71,664		(55,249)	(77.09)	The variance of \$55.2m is due to the transfer of the Land Sales function from the Directorate to the Environment, Planning and Sustainable Development Directorate as part of Administrative Arrangements on 1 July 2016 (No. 3) notifiable instrument NI2016-178 that were not anticipated in the budget.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Transport Canberra and City Services Directorate Forms Part of Note 2 of the Financial Statements For the Year Ended 30 June 2017

Appendix A – Basis of Preparation of the Financial Statements

LEGISLATIVE REQUIREMENT

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 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 Australian Accounting Standards 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.

GOING CONCERN

At 30 June 2017, the Directorate's Current Liabilities (\$61.9m) exceeded its Current Assets (\$30.4m) by \$31.5m. However, this is not considered a liquidity risk as its cash needs are funded through an 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 2016-17 financial statements have been prepared on a going concern basis as the Directorate has been funded in 2017-18 Budget and the Budget Papers include forward estimates for the Directorate.

ACCRUAL ACCOUNTING

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.

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

Appendix A – Basis of Preparation of the Financial Statements

CURRENCY

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

INDIVIDUAL REPORTING ENTITY

The Directorate is an individual financial reporting entity.

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 applies to both Controlled and Territorial financial statements except where specified otherwise.

REPORTING PERIOD

These financial statements include the financial performance, changes in equity and cash flows of the Directorate for the year ended 30 June 2017 and the financial position of the Directorate at 30 June 2017.

COMPARATIVE FIGURES

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2016-17 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 Standards 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 are provided.

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.

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

Appendix B – Significant Accounting Policies

Appendix B - Significant Accounting Policies applies to both the Controlled and Territorial financial statements.

SIGNIFICANT ACCOUNTING POLICIES – INCOME

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:

NOTE 4 - CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments are recognised as revenue when the Directorate gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

Effective from 1 July 2016, the term appropriation for the provision of outputs (or Government Payment for Outputs) was replaced with the term Controlled Recurrent Payments to better reflect the nature of this type of appropriation.

NOTE 5 - USER CHARGES

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.

User Charges - ACT and Non-ACT Government

User Charges Revenue is derived from 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.

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – INCOME - CONTINUED

NOTE 6 - RESOURCES RECEIVED 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.

Resources provided free of charge are recorded at their fair value in the expense line items to which they relate.

NOTE 7 - 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.

NOTE 9 - OTHER GAINS

Contributed Assets

Assets received free of charge from other ACT Government Agencies, the Commonwealth, 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'.

Sale of Assets

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

**Transport Canberra and City Services Directorate
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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

NOTE 10 - EMPLOYEE EXPENSES

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.

See Appendix B: Note 29 - *Employee Benefits*, for Accrued Wages and Salaries, and Annual and Long Service Leave.

NOTE 11 - SUPERANNUATION EXPENSES

The Directorate received funding for Superannuation payments as part of the Controlled Recurrent Payments. The Directorate makes fortnightly payments to the Territory Banking Account, to extinguish the Directorate's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment does not include the CSS and PSS productivity component which is paid directly to the Commonwealth Superannuation Corporation (CSC) by the Directorate.

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 Accumulation Plan (PSSAP) and schemes of employee choice.

The Directorate's accruing superannuation liability obligations are expensed as they are incurred.

SUPERANNUATION LIABILITY RECOGNITION

The Superannuation liability for the Territory's relevant share of the employer financed portion of entitlements of all employees participating in the CSS and PSS schemes who became Territory employees with effect on or after 1 July 1989 is recognised in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account.

The ACT Government reimburses the CSC annually for the Territory's share of employer superannuation benefits paid to entitled Territory employees who are, or were members of the CSS and PSS. These reimbursement payments are made from the Superannuation Provision Account.

NOTE 12 - SUPPLIES AND SERVICES

Insurance

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

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES - CONTINUED

NOTE 12 - SUPPLIES AND SERVICES - CONTINUED

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.

Repairs and Maintenance

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

NOTE 13 - DEPRECIATION AND AMORTISATION

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 are determined as follows:

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Land and Buildings ^a	Straight Line	40-43
Leasehold Improvements	Straight Line	10
Plant and Equipment	Straight Line	3-123
Infrastructure	Straight Line	10-136
Internally Generated Intangibles	Straight Line	1-5
Heritage and Community Assets	Straight Line	5-100

a) Land Restoration Assets (waste landfill) are 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.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES - CONTINUED

NOTE 15 - BORROWING COSTS

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

NOTE 17 - WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Waivers

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.

Impairment Losses - Assets

Expense Impairment Losses of Assets include: Land, Buildings, Infrastructure, Community and Heritage assets, Plant and Equipment, Leasehold Improvements and Intangible Assets (see Appendix B: Note 23 - *Property, Plant and Equipment*, 'Impairment of Assets').

Impairment Losses and Write-Offs - Receivables

The Allowance for Impairment of Receivables (see Note 20 - *Receivables*, 'Impairment Loss Receivables').

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT & NON-CURRENT

Assets are classified as either current or non-current in the Balance Sheet and relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets, which do not fall within the current classification, are classified as non-current.

Significant Accounting Judgements and Estimates - Fair Value of Assets

The Directorate has made a significant estimate regarding the fair value of its assets. Land and Buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, Buildings that are purpose built may in fact realise more or less in the market. Infrastructure Assets and Community and Heritage assets have been recorded at fair value based on depreciated replacement cost as determined by an independent valuer and others have been valued at depreciated replacement cost determined by staff internal to the Directorate. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

NOTE 19 - CASH AND CASH EQUIVALENTS

Cash includes Cash at Bank and Cash on Hand.

NOTE 20 - RECEIVABLES

Accounts Receivable

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.

Impairment Loss - Receivables

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.

The amount of the allowance is recognised in the Operating Statement (see Appendix B: Note 17 - *Waivers, Impairment Losses and Write-Offs*).

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.

Significant Accounting Judgements and Estimates – Receivables

Allowance for Impairment Losses: 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.

The Allowance for Impairment Losses on Controlled Receivables principally relates to ACT NOWaste debtors and debtors arising from damage to street and traffic lights.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

NOTE 25 - 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 is less than 15 years old and is not yet suitable to be sold for commercial purposes. Commercial is 15 years old or greater in age and is 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.

Significant Accounting Judgements and Estimates – Biological Assets

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.

NOTE 21 - 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.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

NOTE 21 – INVENTORIES - Continued

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. The unleased rural land is classified as inventory in the Territorial financial statements.

The land sale function, within Parks and Conservation, was transferred to the Environment, Planning and Sustainable Development Directorate as the result of the Administrative Arrangements on 1 July 2016.

NOTE 23 - PROPERTY, PLANT AND EQUIPMENT

Acquisition and Recognition of Property, Plant and Equipment

Property, Plant and Equipment are 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, are capitalised.

Major Cyclical Maintenance - Infrastructure Asset

The Directorate undertakes major cyclical maintenance on its Infrastructure Assets. Where the maintenance leads to an upgrade increasing the service potential of the existing Infrastructure Asset, the cost is capitalised.

Measurement of Property, Plant and Equipment After Initial Recognition

Property, Plant and Equipment are 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.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

Measurement of Property, Plant and Equipment After Initial Recognition - Continued

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.

Significant Accounting Judgements and Estimates – Property, Plant and Equipment

- 1) **Assets received from other ACT Government agencies:** The Directorate has made significant judgement in relation to the fair value of assets received from ACT Government agencies. Assets Received from ACT Government agencies totalling \$129.9m (2015-16 \$119.2m) 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.
- 2) **Infrastructure, Plant and Equipment, Leasehold Improvements and Heritage and Community Assets:** The Directorate has made significant judgements and estimates in calculating depreciated replacement cost of Infrastructure, Plant and Equipment, Leasehold Improvements and Heritage and Community Assets. Infrastructure Assets totalling \$6,802.4m (2015-16 \$6,850.4m), Plant and Equipment Assets totalling \$42.4m (2015-16 \$35.8m), Leasehold Improvements totalling \$1.2m (2015-16 \$0.3m) and Heritage and Community Assets totalling \$2,263.6m (2015-16 \$2,247.1m) are predominately valued based on depreciated replacement cost by writing-down gross replacement values to take into account the age of assets.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

Significant Accounting Judgements and Estimates – Property, Plant and Equipment - Continued

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 Directorate Integrated Asset Management System. This data is continually updated as 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 completion or transfer of these assets and the addition of the associated quantity data into the Integrated Asset Management System through formal asset acceptance process. This data is also being continually updated and refined through ongoing inspections and audits of existing asset holdings.

- 3) **Land and Buildings:** The Directorate has made significant judgement in estimating the fair value of unleased rural land. Land and Buildings totalling \$75.4 m (2015-16 \$132.3 m) were valued on a fair value basis by Egan National Valuers (ACT) and officers internal to the Directorate. 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. Land restoration was valued by internal officers to the Directorate based on estimates of future remediation costs.

- 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 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.

- 5) **Provision for Restoration of Waste Landfill Sites:** The Directorate has made significant estimates in calculating 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.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

Significant Accounting Judgements and Estimates – Property, Plant and Equipment - Continued

- 6) **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.

Disclosures concerning assets useful life (see Appendix B - Note 13 *Depreciation and Amortisation*).

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

Assets are assessed for impairment having regard to a number of factors including obsolescence, future continuing use and physical damage based on management assessment.

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.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

NOTE 24 - 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, over a period not exceeding 5 years. Intangible Assets are measured at cost less accumulated amortisation and accumulated impairment losses.

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

LIABILITIES - CURRENT AND NON-CURRENT

Liabilities classified as current or non-current in the Balance Sheet and in the relevant notes. Liabilities are classified as current when they are due to be settled within 12 months after 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. Liabilities, which do not fall within the current classification, are classified as non-current.

NOTE 27 - 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 and Accrued Expenses.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES - CONTINUED

NOTE 28 - FINANCE 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.

NOTE 29 - EMPLOYEE BENEFITS

Employee Benefits are listed in Appendix B: Note 10, '*Employee Expenses*'.

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 2017, the rate used to estimate the present value of future Annual Leave payments is 99.8% (101.4% at 30 June 2016).

At 30 June 2017, the rate used to estimate the present value of future payments for Long Service Leave is 103.4% (114.7% at 30 June 2016). The use of a lower rate has resulted in a decrease of \$1.7 m 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.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES – CONTINUED

Significant Accounting Judgements and Estimates - Employee Benefits - Continued

The Provision for Annual Leave and Long Service Leave includes estimated on-costs. As these on-costs only become payable if the employee takes Annual and Long Service Leave while in service, the probability that employees will take Annual and Long Service Leave while in service has been taken into account in estimating the liability for on-costs.

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

Significant Accounting Judgements and Estimates - 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.

NOTE 31 - OTHER LIABILITIES

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.

NOTE 32 - EQUITY

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.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

NOTE 36 COMMITMENTS

Public Private Partnership

Public Private Partnerships (PPPs) are long term contracts entered into between a government agency (the grantor) and a private sector consortium (the operator) to design, finance, construct and operate/maintain assets over a concession term.

The operator, Canberra Metro, receives service payments from the grantor, the Directorate, over the life of the contract which is intended to cover the costs incurred by the consortium in constructing, delivering and maintaining and operating the Infrastructure Assets over the term of the contract.

For a Public Private Partnership where:

- a) the Territory is compensating the operator for construction of the Infrastructure Assets through service payments over the period of the arrangement; and
- b) the arrangements are for a finite period, with the Territory retaining a significant residual interest in the assets at the end of the operating phase;

Then such a Public Private Partnership is accounted for under UK FRS 5 Reporting the Substance of Transactions: Application Note F Private Finance Initiative and Similar Contracts, in accordance with ACT Accounting Policy – Public Private Partnerships Financed by the Operator the Assets being Territory Assets at the end of the Arrangement.

FRS 5 applies a risks and rewards approach to the recognition of assets in a Public Private Partnership arrangement. Application of the requirements of FRS 5 results in such arrangements being accounted for by the Territory as leases in accordance with AASB 117 *Leases*.

At the date of commitment to the principal provisions of the arrangement, the estimated service payments are allocated between the component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset.

The components relating to the design and construction or upgrading of the asset are accounted for as a finance lease in accordance with the lease policy (see Appendix B: Note 28 - *Finance Leases*).

The remaining components are accounted for as commitments for operating costs which are expensed in the Operating Statement as they are incurred.

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Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES - CONTINUED

Public Private Partnership - Continued

Canberra Light Rail Project

On 25 May 2016, the Territory entered into a 20 year public private partnership arrangement with private sector consortium (Canberra Metro) for the design, construction, operation, maintenance and financing of a 12km light rail route from Canberra's City/central business district (Civic) to the Gungahlin town centre. The Territory retains the significant residual interest in the assets at the end of the 20 year term.

Under the arrangement, the Territory will be making monthly service payments to Canberra Metro. The portion of the total payments to Canberra Metro that relates to the Territory's right to use the service concession assets (the Light Rail Asset) are accounted for as finance lease assets and liabilities from the date of commencement of the lease term which is deemed to be the date the light rail assets are commissioned and ready for use. In addition, from the date of commissioning until the end of this Public Private Partnerships arrangement, the Territory will pay Canberra Metro for the ongoing operation and maintenance of the light rail system. Such payments will be recorded as operating expenses.

The Light Rail project is a service payment based Public Private Partnership which uses a 'securitised licence structure' for payment of the project. Under this arrangement, the Territory does not pay for construction activities over the delivery phase, but it does pay for the GST on these activities as they are considered to be for services provided. As a consequence of using this structure, no cash passes between the Territory and Canberra Metro in this phase (other than in relation to GST amounts - which the Territory claims back from the Australian Taxation Office).

The commitments for the Public Private Partnerships project are disclosed in Note 36 *Commitments*.

The Project Agreement can be terminated under a number of scenarios. Where it is terminated before expiry of the 20 year operating phase, Canberra Metro may be entitled to a termination payment (depending on the reason for termination). The three types of termination scenarios set out in the Project Agreement are summarised below:

- Termination for convenience - The Territory may terminate the Project Agreement at any time by giving no less than 60 business days notice in writing to Canberra Metro. If the Project Agreement is terminated for convenience, the Territory will pay Canberra Metro a termination for convenience payment. This amount is generally calculated as Canberra Metro's outstanding Project debt, plus the fair market value of Canberra Metro's equity, plus any other reasonable costs incurred by Canberra Metro as a result of the termination.
- Force Majeure Termination Event - Where the Project Agreement is terminated for force majeure (e.g. earthquake, bushfire, landslide), or the Capital Metro Project is wholly or substantially damaged or destroyed upon the occurrence of an uninsurable risk, the Territory will pay Canberra Metro the general termination event payment. This amount is generally calculated as Canberra Metro's outstanding project debt plus any other reasonable costs incurred by Canberra Metro as a result of the termination, less any insurance proceeds.

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES – CONTINUED

Public Private Partnership - Continued

- Termination for Canberra Metro default - Where the Project Agreement is terminated for Canberra Metro's default, the Territory will pay Canberra Metro the fair market value of the Project determined by an independent expert or as a result of a re-tender of the contract to the market.

A default by Canberra Metro under the Project Agreement will entitle the Territory to various remedies. Where a default has occurred, the Territory will in most circumstances be required to give Canberra Metro an opportunity to remedy the default. If the default is not remedied by Canberra Metro within the required period, then it will escalate to a Major Default. The Project Agreement also states that a number of events are automatically classified as a Major Default (e.g. when there are persistent breaches or frequent service failures).

In respect of Major defaults, Canberra Metro will be given the opportunity to develop a plan to remedy the default (if the default is capable of remedying) or a prevention plan to prevent the default from recurring (in circumstances where the default is not capable of remedy). Where Canberra Metro fails to remedy the Major Default within the required period or fails to comply with an agreed remedy or prevention plan (as applicable), this will generally give rise to the Territory's right to terminate the Project Agreement.

Certain events of default are so severe that they are not subject to a remedy regime. They give rise to a Territory termination right immediately upon their occurrence (e.g. insolvency of Canberra Metro). These events are called Default Termination Events.

The Directorate has made significant judgments and estimates for the Public Private Partnership. The Territory has entered into a Public Private Partnership Agreement with the Canberra Metro Consortium. The accounting for this PPP has been done in accordance with the ACT Accounting Policy – *Public Private Partnerships Financed by the Operator the Assets being Territory Assets at the end of the Arrangement*. In applying this policy, the Directorate has adopted the requirements of United Kingdom Accounting Standard FRS 5 and formed a view under FRS 5(a) that Australian Accounting Standard AASB 117: *Lease* is to be used to account for the arrangement.

Fair Value of PPP Commitments: Finance Lease Commitments disclosed in Note 36 *Commitments* are based on estimated future payments for the design and construction of the Capital Metro light rail system. Under AASB 117, management has assessed the cumulative value of these future payments to represent the fair value of the leased asset and equivalent liability that will be recorded in the Directorate's financial statement as at the commencement of the lease in August 2018.

Commitments for Expenditure

Commitments for future expenditure include operating (relating to operating, maintenance and financing expenses) and capital (relating to design and construction of the asset) commitments arising from contracts. These commitments are disclosed in Note 36 *Commitments*. The total Public Private Partnership Commitments disclosed in Note 36 *Commitments* of \$1.6 billion (excluding GST in 2016-17) and \$1.6 billion (excluding GST in 2015-16).

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

Appendix B – Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES – CONTINUED

NOTE 37 - CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Significant Accounting Judgements and Estimates – Contingent Liability – Contaminated Sites

Contingent Liability – Contaminated Sites: The Directorate owns 175 (175 at 30 June 2016) 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.

NOTE 41 - BUDGETARY REPORTING

Significant Accounting Judgements and Estimates - Budgetary Reporting

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

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

TERRITORIAL – SPECIFIC SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES – SPECIFIC TO TERRITORIAL – INCOME

NOTE 44 - LAND SALES REVENUE – TERRITORIAL

The Directorate recognises revenue from land sales to the Land Development Agency when the custodianship of the land is transferred to the Land Development Agency. This function has been transferred to the Environment, Planning and Sustainable Development Directorate from 1 July 2016.

Significant Accounting Judgements and Estimates – Land Sales Revenue

Accrued Land Sales Revenue: The Directorate has accrued land sales revenue based on an estimate by the Land Development Agency. The Directorate makes englobo land sales (undeveloped land able to be subdivided) to the Land Development Agency to enable the Land Development Agency 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 Land Development Agency when the custodianship of the land is transferred to Land Development Agency. This function has been transferred to the Environment, Planning and Sustainable Development Directorate from 1 July 2016.

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

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

Appendix B – Significant Accounting Policies

**SIGNIFICANT ACCOUNTING POLICIES – SPECIFIC TO TERRITORIAL –
INCOME - CONTINUED**

NOTE 45 - INTEREST – TERRITORIAL

The interest in Territorial is land related interest from the Land Development Agency. This revenue is calculated using an interest rate applied for the period the land is held by the Land Development Agency. This function has been transferred to the Environment, Planning and Sustainable Development Directorate from 1 July 2016.

Significant Accounting Judgements and Estimates – Interest on Land Sales

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

TERRITORIAL NOTES REFERENCED TO CONTROLLED NOTES

NOTE 43 - FEES AND FINES – TERRITORIAL: See Appendix B: Note 7 - *Fee and Fines*.

NOTE 48 - CASH AND CASH EQUIVALENTS – TERRITORIAL: See Appendix B: Note 19 - *Cash and Cash Equivalents*.

NOTE 49 - RECEIVABLES – TERRITORIAL: See Appendix B: Note 20 - *Receivables*.

NOTE 50 - INVENTORIES – TERRITORIAL: See Appendix B: Note 21 - *Inventories*.

NOTE 51 - PAYABLES – TERRITORIAL: See Appendix B: Note 27 - *Payables*.

NOTE 56 - BUDGETARY REPORTING – TERRITORIAL: See Appendix B: Note 41 - *Budgetary Reporting*.

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

**Appendix C – Impact of Accounting Standards Issued
but yet to be Applied**

Impact of Accounting Standards issued but yet to be applied concerns both the Controlled and Territorial financial statements.

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

- AASB 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 for for-profit-entities, 1 January 2019 for not-for-profit entities);

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

AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB for Not-for-profit entities defers the effective date of AASB 15 for not-for-profit entities to 1 January 2019.
- 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.

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

**Appendix C – Impact of Accounting Standards Issued
but yet to be Applied - Continued**

- AASB 1058 Income of Not-for-Profit Entities (application date 1 Jan 2019);

This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 *Revenue from Contracts with Customers*. These standards supersede all the income recognition requirements relating to private sector not-for-profit entities, and the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. 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 and 1038 and Interpretations 2, 5, 10, 12, 19 and 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.

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

**Appendix C – Impact of Accounting Standards Issued
but yet to be Applied - Continued**

- 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. The Directorate is not able to estimate the impact on its financial statements. The Directorate will make a more detailed assessment of the impact over the next 12 months.

- 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);

Under this standard not-for-profit public sector entities holding non-cash generating assets at fair value in accordance with AASB 13 *Fair Value Measurement* no longer have to consider AASB 136 *Impairment of Assets*;

The Directorate expects no significant impact on current valuation practice as the current replacement cost of such assets under AASB 13 and their depreciated replacement cost under AASB 136 are, in effect, interchangeable.

- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities [AASB 9 & 15] (application date 1 January 2019);

This standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those standards to particular transactions and other events. The amendments to AASB 9 address the initial measurement and recognition of non-contractual receivables arising from statutory requirements (including taxes, rates and fines). The amendments to AASB 15 address the following aspects of accounting for contracts with customers: identifying a contract with a customer; identifying performance obligations; and allocating the transaction price to performance obligations.

The Directorate will assess the impact of this implementation guidance on its financial statements over the next 12 months.

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

**Appendix C – Impact of Accounting Standards Issued
but yet to be Applied – Continued**

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

This standard deferred the application date of AASB 15 *Revenue from Contracts with Customers* to 1 January 2018. AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for Profit Entities* further defers the application date of AASB 15 for not-for-profit entities until 1 January 2019. 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 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 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (application date 1 January 2017, which was the original mandatory effective date of AASB 15);

This standard amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by these entities for annual reporting periods beginning on or after 1 January 2019 instead of 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 1059 Service Concession Arrangements: Grantor (Application date 1 January 2019)

This standard was released by the AASB on 20 July 2017. This new accounting standard prescribes the accounting for service concession arrangements including PPPs from the perspective of the public sector grantor. AASB 1059 mainly impacts the recognition of assets and liabilities and associated expenses that relate to PPPs. The Directorate's PPP with the Canberra Metro Consortium is a very complex arrangement and it will take time to evaluate the impact of the new standard. Further, the implementation of the standard requires policy decisions on transitional options. Given the timing of the release of this standard, at this stage the Directorate is not able to currently estimate its impact on its future financial statements. The Directorate will make an assessment of the impact in the coming years leading up to the standard becoming effective.

**Transport Canberra and City Services Directorate
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017**

Appendix D – Change in Accounting Estimates

CHANGE IN ACCOUNTING ESTIMATES

The change in accounting estimates applies to the Controlled financial statements.

The Directorate had the following change in accounting estimates during the reporting period.

Revision of Useful Lives

The Directorate reviewed the useful lives of its property, plant and equipment during the reporting period. This review resulted in the adjustment to the useful lives of ACT NOWaste infrastructure assets, for details see Note 13 - *Depreciation and Amortisation*.

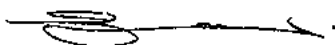
**FINANCIAL STATEMENTS
OF
ACTION**

**FOR THE YEAR ENDED
30 JUNE 2017**

ACTION
Financial Statements
For the Year Ended 30 June 2017

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 2017 and the financial position of ACTION on that date.



Emma Thomas

Director-General

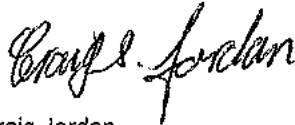
Transport Canberra and City Services Directorate

11 September 2017

ACTION
Financial Statements
For the Year Ended 30 June 2017

Statement by the Chief Financial Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with ACTION's accounts and records and fairly reflect the financial operations of ACTION for the year ended 30 June 2017 and the financial position of ACTION on that date.



Craig Jordan

Chief Financial Officer

Transport Canberra and City Services Directorate

// September 2017

INDEPENDENT AUDIT REPORT

ACTION

To the Members of the ACT Legislative Assembly

Audit opinion

I am providing an **unqualified audit opinion** on the financial statements of ACTION for the year ended 30 June 2017. The financial statements comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

In my opinion, the financial statements:

- (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 and results of its operations and cash flows.

Basis for the audit opinion

The audit was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the audit to provide a basis for the audit opinion.

Responsibility for preparing and fairly presenting the financial statements

The Director-General of the Transport Canberra and City Services Directorate is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of ACTION to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Responsibility for the audit of the financial statements

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

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud and implemented procedures to address these risks so that sufficient evidence was obtained to form an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls;

- obtained an understanding of internal controls to design audit procedures for forming an audit opinion;
- evaluated accounting policies and estimates used to prepare the financial statements and disclosures made in the financial statements;
- evaluated the overall presentation and content of the financial statements, including whether they present the underlying transactions and events in a manner that achieves fair presentation;
- reported the scope and timing of the audit and any significant deficiencies in internal controls identified during the audit to the Director-General; and
- assessed the going concern* basis of accounting used in the preparation of the financial statements.


(*Where the auditor concludes that a material uncertainty exists which cast significant doubt on the appropriateness of using the going concern basis of accounting, the auditor is required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, the audit opinion is to be modified. The auditor's conclusions on the going concern basis of accounting are based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.)

Limitations on the scope of the audit

An audit provides a high level of assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. However, an audit cannot provide a guarantee that no material misstatements exist due to the use of selective testing, limitations of internal control, persuasive rather than conclusive nature of audit evidence and use of professional judgement in gathering and evaluating evidence.

An audit does not provide assurance on the:

- reasonableness of budget information included in the financial statements;
- prudence of decisions made by ACTION;
- adequacy of controls implemented by ACTION; or
- integrity of audited financial statements presented electronically or information hyperlinked to or from the financial statements. Assurance can only be provided for the printed copy of the audited financial statements.


 Dr Maxine Cooper
 Auditor-General
 14 September 2017

ACTION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2017

ACTION
Operating Statement
For the Year Ended 30 June 2017

	Note	Actual	Original	Actual
	No.	2017	Budget	2016
		\$'000	\$'000	\$'000
Income				
<i>Revenue</i>				
User Charges	3	133,262	129,533	127,820
Resources Received Free of Charge	4	4,817	7,651	380
Other Revenue	5	2,003	767	1,797
<i>Total Revenue</i>		<u>140,082</u>	<u>137,951</u>	<u>129,997</u>
Total Income		<u>140,082</u>	<u>137,951</u>	<u>129,997</u>
Expenses				
Employee Expenses	6	87,618	91,954	88,010
Superannuation Expenses	7	10,047	9,804	9,594
Supplies and Services	8	39,714	36,482	35,093
Depreciation and Amortisation	9	11,808	11,939	11,249
Borrowing Costs	10	300	300	343
Loss on Revaluation of Buses	11	5,268	-	-
Other Expenses	12	610	536	492
Total Expenses		<u>155,365</u>	<u>151,015</u>	<u>144,781</u>
Income Tax Equivalents Expense	30	-	-	-
Operating (Deficit)		<u>(15,283)</u>	<u>(13,064)</u>	<u>(14,784)</u>
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus	26	11,427	-	31
Total Other Comprehensive Income		<u>11,427</u>	<u>-</u>	<u>31</u>
Total Comprehensive (Deficit)		<u>(3,856)</u>	<u>(13,064)</u>	<u>(14,753)</u>

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 Bus Operations Output Class.

ACTION
Balance Sheet
As at 30 June 2017

	Note	Actual	Original	Actual
	No.	2017	Budget	2016
		\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents	15	9,788	4,287	3,914
Receivables	16	2,427	3,343	5,037
Inventories	17	3,378	2,931	3,166
Assets Held for Sale		-	65	-
Other Assets	18	338	787	524
Total Current Assets		15,931	11,413	12,641
Non-Current Assets				
Property, Plant and Equipment	19	159,596	158,794	151,633
Intangible Assets	20	272	277	409
Capital Works in Progress	21	2,503	-	4,001
Total Non-Current Assets		162,371	159,071	156,043
Total Assets		178,302	170,484	168,684
Current Liabilities				
Payables	22	2,286	3,517	1,328
Interest-Bearing Liabilities	23	341	341	341
Employee Benefits	24	22,893	19,917	22,737
Other Liabilities	25	4,582	3,349	3,935
Total Current Liabilities		30,102	27,124	28,341
Non-Current Liabilities				
Interest-Bearing Liabilities	23	1,704	1,704	2,045
Employee Benefits	24	1,030	1,452	1,280
Total Non-Current Liabilities		2,734	3,156	3,325
Total Liabilities		32,836	30,280	31,666
Net Assets		145,466	140,204	137,018
Equity				
Accumulated Funds	26	101,065	107,261	104,044
Asset Revaluation Surplus	26	44,401	32,943	32,974
Total Equity		145,466	140,204	137,018

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

ACTION
Statement of Changes in Equity
For the Year Ended 30 June 2017

		Accumulated	Asset	Total	Original
		Funds	Revaluation	Equity	Budget
		Actual	Surplus	Actual	
Note		2017	2017	2017	2017
No.		\$'000	\$'000	\$'000	\$'000
	Balance at 1 July 2016	104,044	32,974	137,018	138,773
	Comprehensive Income				
	Operating (Deficit)	(15,283)	-	(15,283)	(13,064)
	Increase in the Asset Revaluation				
	Surplus	-	11,427	11,427	-
26	Total Comprehensive (Deficit)/Income	(15,283)	11,427	(3,856)	(13,064)
	Transactions Involving Owners				
	Affecting Accumulated Funds				
	Capital Payments from the Transport				
	Canberra and City Services Directorate	12,304	-	12,304	14,495
	Total Transactions Involving Owners	12,304	-	12,304	14,495
	Affecting Accumulated Funds				
	Balance at 30 June 2017	101,065	44,401	145,466	140,204

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 2017

		Accumulated	Asset	Total
		Funds	Revaluation	Equity
		Actual	Surplus	Actual
	Note	2016	2016	2016
	No.	\$'000	\$'000	\$'000
Balance at 1 July 2015		99,957	32,943	132,900
Comprehensive Income				
Operating (Deficit)		(14,784)	-	(14,784)
Increase in the Asset Revaluation				
Surplus	26	-	31	31
Total Comprehensive (Deficit)/Income		(14,784)	31	(14,753)
Transactions Involving Owners				
Affecting Accumulated Funds				
Capital Payments from the Transport				
Canberra and City Services Directorate		18,871	-	18,871
Total Transactions Involving Owners		18,871	-	18,871
Affecting Accumulated Funds				
Balance at 30 June 2016		104,044	32,974	137,018

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 2017

	Note No.	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Cash Flows from Operating Activities				
Receipts				
User Charges		134,663	129,533	128,693
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		6,258	3,561	6,395
Goods and Services Tax Collected from Customers		2,747	3,227	2,888
Commonwealth Government Grants		1,632	767	1,904
Total Receipts from Operating Activities		145,300	137,088	139,880
Payments				
Employees		81,207	84,726	88,204
Superannuation		10,056	9,806	9,914
Supplies and Services		39,027	34,927	35,527
Borrowing Costs		300	300	343
Goods and Services Tax Paid to Suppliers		5,873	3,289	6,424
Goods and Services Tax Remitted to the Australian Taxation Office		2,868	3,578	2,853
Other		372	166	285
Total Payments from Operating Activities		139,703	136,792	143,550
Net Cash Inflows/(Outflows) from Operating Activities	31	5,597	296	(3,670)
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Property, Plant and Equipment		11	-	96
Total Receipts from Investing Activities		11	-	96
Payments				
Payments for Property, Plant and Equipment		11,697	14,495	18,160
Total Payment from Investing Activities		11,697	14,495	18,160
Net Cash (Outflows) from Investing Activities		(11,686)	(14,495)	(18,064)

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 2017

	Note No.	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Cash Flows from Financing Activities				
Receipts				
Capital Payments from the Transport Canberra and City Services Directorate		12,304	14,495	18,871
Total Receipts from Financing Activities		12,304	14,495	18,871
Payments				
Repayment of Borrowings		341	341	341
Total Payment from Financing Activities		341	341	341
Net Cash Inflows from Financing Activities		11,963	14,154	18,530
Net Increase/(Decrease) in Cash and Cash Equivalents		5,874	(45)	(3,204)
Cash and Cash Equivalents at the Beginning of the Reporting Period		3,914	4,332	7,118
Cash and Cash Equivalents at the End of the Reporting Period	31	9,788	4,287	3,914

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

ACTION

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For the Year Ended 30 June 2017

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ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2017

NOTE 1 OBJECTIVES OF ACTION

Legal Form and Principal Place of Business

ACTION is a public trading enterprise within the Transport Canberra Division of the Transport Canberra and City Services Directorate. ACTION is a separate reporting entity with its own financial information, strategic and accountability indicators.

ACTION's principal place of business is at ACTION House, 200 Scollay Street, Greenway, in the Australian Capital Territory (ACT).

Operations and Principal Activities

Public bus services in the ACT are 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

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

Appendix C - Impact of Accounting Standards Issued But Yet to Be Applied

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

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 Transport Canberra and City Services Directorate, concessional travel payments through the Chief Minister, Treasury and Economic Development Directorate (CMTEDD), 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.

	2017	2016
	\$'000	\$'000
User Charges - ACT Government		
Service Payments from the Transport Canberra and City Services Directorate ^a	99,134	92,639
Concessional Travel Payments ^b	8,748	8,245
Special Needs Transport ^a	-	2,310
Charter	407	345
Advertising	100	-
Recoveries from Other ACT Government Agencies	101	65
Total User Charges - ACT Government	108,490	103,604
User Charges - Non-ACT Government		
Fares	23,188	23,118
Charter	564	548
Advertising ^c	1,020	550
Total User Charges - Non-ACT Government	24,772	24,216
Total User Charges	133,262	127,820

- a) The increase in service payments mainly reflects the transfer of the special needs transport (SNT) function from the Education Directorate (ETD) on 1 July 2016. ACTION had previously provided drivers and vehicles on a fee for service basis to ETD, this transfer also results in an associated decrease to the special needs transport user charge. Total service payments from Government increased by \$6.5 million as a result of this transfer reflecting the additional cost of contract management of external service providers.
- b) The increase in concessional travel payments is due to an increase in travel by passengers eligible for concession fares. This increase in travel is mainly attributable to the introduction of new initiatives including city loop services, airport service, services to new suburbs and the trial for free off-peak travel for concession holders which commenced in January 2017 and has resulted in a larger overall subsidy received from CMTEDD.
- c) The increase in advertising revenue reflects greater advertising revenue generated by the external advertising provider for which ACTION receives a percentage share.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 4 RESOURCES RECEIVED AND PROVIDED FREE OF CHARGE

	2017 \$'000	2016 \$'000
Resources Received Free of Charge		
Workers' Compensation Insurance Premium Supplementation ^a	4,428	-
Access to Territory Radio Network	380	380
Legal Services	9	-
Total Resources Received Free of Charge	4,817	380
Resources Provided Free of Charge		
Communications Equipment	-	60
Total Resources Provided Free of Charge	-	60

- a) The increase in resources received free of charge relates to a contribution made by CMTEDD to the ACT Insurance Authority on ACTION's behalf to supplement ACTION's workers compensation premium expense that exceed the budgeted allocation.

NOTE 5 OTHER REVENUE

Other revenue relates to grants received from the Commonwealth Government, workers' compensation insurance reimbursements and other recoveries.

Revenue from ACT Government Entities		
Other	-	90
Total Other Revenue from ACT Government Entities	-	90
Revenue from Non-ACT Government Entities		
Grants Received from the Commonwealth	1,688	1,589
Workers' Compensation Insurance Reimbursements	296	69
Other	19	49
Total Other Revenue from Non-ACT Government Entities	2,003	1,707
Total Other Revenue	2,003	1,797

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 6 EMPLOYEE EXPENSES

	2017	2016
	\$'000	\$'000
Wages and Salaries ^a	67,526	62,796
Annual Leave Expense	4,958	4,537
Long Service Leave Expense ^b	(119)	2,798
Workers' Compensation Insurance Premium ^c	9,136	11,430
Payroll Tax	5,615	5,495
Termination Expense	-	473
Other Employee Benefits and On-Costs	502	481
Total Employee Expenses	87,618	88,010

- a) The increase in wages and salaries expense reflects the addition of 49 full-time equivalent (FTE) employees associated with the increase in network service provision to new suburbs, the introduction of the free city loop service and airport service and increased wage rates by 1.5% in October 2016 and April 2017 under the ACTION 2013-2017 Enterprise Agreement.
- b) The decrease in long service leave expense results from the use of a lower rate of 103.4% used to estimate long service leave liabilities (114.7% in 2015-16). This has resulted in a decrease in long service leave expense of \$1.61 million. In addition the prior year result fluctuated by \$1.47 million as a result of an increase to the rate used to estimate long service leave.
- c) Workers' compensation premium expense has decreased from the prior year due to a reduction in the premium rate in 2016-17.

NOTE 7 SUPERANNUATION EXPENSES

Superannuation Contributions to the Territory Banking Account	4,912	5,176
Productivity Benefit	769	803
Superannuation Payments to the PSSAP	184	199
Superannuation to External Providers ^a	4,182	3,416
Total Superannuation Expenses	10,047	9,594

- a) The increase in superannuation to external providers represents the increasing number of employees contributing to external providers. This is the result of the closure of the defined benefit schemes to new employees and the increase in new employees resulting from increasing bus network services in 2016-17.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 8 SUPPLIES AND SERVICES

	2017	2016
	\$'000	\$'000
Administrative Expenses		
Public Liability Insurance	4,127	4,100
Contractors and Consultants	2,549	2,270
Rent and Utility Charges	1,083	1,049
Systems and Computing Costs	910	1,050
Repairs and Maintenance	948	1,096
Communications	682	586
Staff Development	440	402
Security Expenses	276	298
Printing and Stationery	102	97
Other	466	408
Total Administrative Expenses	11,583	11,356
Operating Expenses		
Fuel ^a	11,579	10,647
Bus Maintenance Expenses	8,592	8,206
Contractors and Consultants ^b	3,604	485
Property and Business Interruption Insurance	1,823	1,918
Other Bus Running Expenses	347	249
Operating Lease Payments	974	1,069
Rural School Services	495	480
Support Vehicles and Fuel Charges	294	298
Advertising and Promotions	75	35
Uniforms	227	183
Insurance Settlements	121	167
Total Operating Expenses	28,131	23,737
Total Supplies and Services	39,714	35,093

a) The increase of fuel expense represents the higher average fuel price paid in 2016-17 compared to 2015-16 and additional fuel consumed in the operation of greater service levels in 2016-17 including the introduction of the airport service, new suburbs and the free city loop service.

b) The increase in operational contractors and consultants expenses relates to contractor costs incurred through the delivery of the special needs transport service transferred from the Education Directorate effective 1 July 2016. The costs represent contract payments to external providers for vehicles, drivers and attendants to transport eligible students between school and home.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 9 DEPRECIATION AND AMORTISATION

	2017	2016
	\$'000	\$'000
Depreciation		
Buildings	1,182	1,203
Buses ^a	7,361	6,735
Plant and Equipment	3,110	3,154
Leasehold Improvements	19	20
Total Depreciation	11,672	11,112
Amortisation		
Intangible Assets - Internally Generated Software	136	137
Total Amortisation	136	137
Total Depreciation and Amortisation	11,808	11,249

- a) The increase in depreciation on buses reflects the addition of 28 new buses into ACTION's service fleet during 2016-17.

NOTE 10 BORROWING COSTS

Interest Expense on Borrowings	300	343
Total Borrowing Costs	300	343

NOTE 11 LOSS ON REVALUATION OF BUSES

Loss on Revaluation of Buses ^a	5,268	-
Total Loss on Revaluation of Buses	5,268	-

- a) The loss in 2016-17 is due to the reduced fleet value following its revaluation undertaken as part of a three year cycle, which was performed at 31 May 2017.

ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2017

NOTE 12 OTHER EXPENSES

	2017 \$'000	2016 \$'000
Loss on the Disposal of Assets ^a	133	15
Waivers, Impairment Losses and Write-Offs (refer to Note 13)	105	192
Other ACT Government Charges and Taxes	259	256
Capital Works Expensed	113	29
Total Other Expenses	610	492

- a) The loss on disposal of assets relates predominantly to the transfer of improvements on leased property to Transport Canberra and City Services Directorate who own the property.

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. ACTION did not request the Treasurer's approval to waive any debts in 2016-17 (Nil in 2015-16).

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

	No.	2017 \$'000	No.	2016 \$'000
Impairment Losses				
<i>Impairment Losses from Receivables</i>				
Trade Receivables	15	45	13	22
Trade Receivables - Impairment Losses Written Back		(27)		(17)
Total Impairment Losses from Receivables	15	18	13	5
<i>Impairment Loss from Inventory</i>				
Inventory	-	53	-	(114)
Total Impairment Losses from Inventory	-	53	-	(114)
<i>Impairment Loss from Property, Plant and Equipment</i>				
Buses	41	7	31	68
Total Impairment Loss from Property, Plant and Equipment	41	7	31	68
Total Net Impairment Losses	56	78	44	(41)
Write-Offs				
Asset Write-Offs	5	13	2	104
Losses or Deficiencies in Public Monies	-	-	3	8
Irrecoverable Debts	7	10	5	13
Inventory Write Downs and Stock Losses	-	4	-	108
Total Write-Offs	12	27	10	233
Total Net Impairment Losses and Write-Offs	68	105	54	192

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 14 AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to ACTION by the ACT Audit Office and any other services provided by a contract auditor engaged by the ACT Audit Office to conduct the financial audit.

	2017	2016
	\$'000	\$'000
Audit Fees Payable to the ACT Audit Office	126	126
Total Audit Fees	126	126

No other services were provided by the ACT Audit Office.

NOTE 15 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	9,708	3,808
Cash on Hand	80	106
Total Cash and Cash Equivalents	9,788	3,914

- a) The increase of cash at bank is the result of outstanding receivables being received prior to the end of the year, an increase to cash received for prepaid balances on MyWay cards \$0.6 million, and favourable operating results in cash items in 2016-17.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 16 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, recovery of accident damages and the provision of charter services.

	2017	2016
	\$'000	\$'000
Current Receivables		
Trade Receivables ^a	222	3,631
Less: Allowance for Impairment Losses	(65)	(47)
Other Current Receivables	38	173
	195	3,757
Accrued Revenue ^b	2,083	868
Net Goods and Services Tax Receivable	149	412
	2,232	1,280
Total Current Receivables	2,427	5,037

- a) The decrease in trade receivables represents a one-off receivable in the prior year related to the recovery of employee expenses resulting from transfer of staff to TCCS.
- b) The increase in accrued revenue represents two months of concession revenue not invoiced at 30 June 2017 compared to a one month accrual in the prior year.

Ageing of Receivables

	Not Overdue	Overdue			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Not Impaired^a					
Receivables	2,247	56	45	79	2,427
Impaired^b					
Receivables	-	-	-	65	65
2016					
Not Impaired^a					
Receivables	4,883	91	12	51	5,037
Impaired^b					
Receivables	-	-	-	47	47

- a) 'Not Impaired' refers to net receivables (that is gross receivables less impaired receivables).
- 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 the accounting policy for the impairment of receivables (refer Appendix B - Note 16 *Receivables*).

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 16 RECEIVABLES – CONTINUED

	2017 \$'000	2016 \$'000
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	47	42
Additional Allowance Recognised During the Reporting Period	45	22
Reduction in Allowance resulting from a Write-Back against Receivables During the Reporting Period	(17)	(13)
Reduction in Allowance from Amounts Written off During the Reporting Period	(10)	(4)
Allowance for Impairment Losses at the End of the Reporting Period	65	47
Classification of ACT Government/Non-ACT Government		
Receivables from ACT Government Entities		
Net Trade Receivables	32	3,475
Accrued Revenue	1,563	701
Total Receivables from ACT Government Entities	1,595	4,176
Receivables from Non-ACT Government Entities		
Net Trade Receivables	125	109
Accrued Revenue	520	167
Net Goods and Services Tax Receivable	149	412
Other Receivables	38	173
Total Receivables from Non-ACT Government Entities	832	861
Total Receivables	2,427	5,037

NOTE 17 INVENTORIES

Current Inventories		
Major Bus Components	449	464
Reconditioned Bus Parts	116	124
Diesel	263	122
Oil	48	25
Tyres	63	45
Other Bus Spare Parts	2,686	2,580
Current Inventories	3,625	3,360
Less: Allowance for Obsolete Inventories	(247)	(194)
Total Current Inventories	3,378	3,166

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 18 OTHER ASSETS

	2017 \$'000	2016 \$'000
Current Other Assets		
Prepayments	338	524
Total Current Other Assets	338	524

NOTE 19 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 a leased building.
- *Buses* represents ACTION fleet vehicles used in the service of the ACTION network.
- *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.

Land and Buildings

Land at Fair Value ^a	25,500	13,250
Total Fair Value of Land	25,500	13,250
Buildings at Fair Value ^b	18,650	22,556
Less: Accumulated Depreciation	(89)	(2,315)
Total Written Down Value of Buildings	18,561	20,241
Total Land and Written Down Value of Buildings	44,061	33,491

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 19 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

	2017 \$'000	2016 \$'000
LEASEHOLD IMPROVEMENTS		
Leasehold Improvements at Cost	17	209
Less: Accumulated Depreciation	(2)	(39)
Total Written Down Value of Leasehold Improvements	15	170
BUSES		
Buses at Fair Value ^c	102,046	114,127
Less: Accumulated Depreciation	(617)	(12,851)
Total Written Down Value of Buses	101,429	101,276
PLANT AND EQUIPMENT		
Plant and Equipment at Fair Value	20,298	19,885
Less: Accumulated Depreciation	(6,227)	(3,209)
Total Written Down Value of Plant and Equipment	14,071	16,676
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	159,596	151,633

- a) The increase in land at fair value is due to a increment resulting from revaluation in 2016-17.
- b) The decrease in buildings at fair value is due to the revaluation decrement in 2016-17.
- c) The decrease in buses at fair value is a result of the decrement following revaluation in 2016-17, partially offset by the acquisition of 28 new buses during 2016-17.

Valuation of Property, Plant and Equipment

Cameron Dunsford BBus FAPI (P&M) MRICS (Chartered Valuer) of RHAS performed an independent valuation of buses at 31 May 2017. Buses will be valued again in 2019-20.

Ivo Kafka AAPI (Certified Practising Valuer) of Aon Risk Services Australia Limited performed an independent valuation of land and buildings at 31 May 2017. Land and buildings will be valued again in 2019-20.

Plant and equipment and heritage assets were revalued at 30 June 2015 by RHAS. Plant and equipment and the heritage asset will be valued again in 2017-18. The leasehold improvement asset will be revalued in 2017-18.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 19 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, plant and equipment during 2016-17.

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Buses \$'000	Plant and Equipment \$'000	Heritage and Community Asset \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	13,250	20,241	170	101,276	16,676	20	151,633
Additions	-	325	-	12,796	518	-	13,639
Revaluation Increment/(Decrement) recognised in Other Comprehensive Income	12,250	(823)	-	-	-	-	11,427
Revaluation Decrement recognised in Operating (Deficit)	-	-	-	(5,268)	-	-	(5,268)
Depreciation	-	(1,182)	(19)	(7,361)	(3,110)	-	(11,672)
Disposals	-	-	(136)	(7)	(13)	-	(156)
Impairment Losses Recognised in the Operating (Deficit)	-	-	-	(7)	-	-	(7)
Carrying Amount at the End of the Reporting Period	25,500	18,561	15	101,429	14,071	20	159,596

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 19 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 Asset \$'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	-	-	-	38	47	-	85
Carrying Amount at the End of the Reporting Period	13,250	20,241	170	101,276	16,676	20	151,633

ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2017

NOTE 19 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 2017 are as follows:

Classification According to Fair Value Hierarchy 2017				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment at Fair Value				
Land	-	25,500	-	25,500
Buildings	-	-	18,561	18,561
Leasehold Improvements	-	-	15	15
Buses	-	1,517	99,912	101,429
Plant and Equipment	-	189	13,882	14,071
Heritage and Community Asset	-	-	20	20
	-	27,206	132,390	159,596

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	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'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

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 19 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Transfers Between Categories

There were no transfers between categories in 2016-17.

In 2015-16 ACTION transferred the heritage asset from level 2 to level 3 as there were unobservable inputs related to this asset.

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 Tuggeranong Town Centre Master Plan and the Belconnen Town Centre Master Plan, where applicable, as well as current zoning.

Level 3 Valuation Techniques and Significant Unobservable Inputs

Valuation Technique: Buildings were considered specialised and measured using the cost approach.

Significant Unobservable Inputs: In determining the value of buildings 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 leasehold improvement asset is cost less depreciation.

Unobservable Inputs: Due to the absence of observable inputs, judgement and estimates have been used in determining the value of the leasehold improvement.

Valuation Technique: the valuation technique used to value the heritage asset is based on replacement cost.

Unobservable 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 2017

NOTE 19 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.

Observable and Unobservable Inputs: Depending on the existence or absence of secondary market activity for compressed natural gas (CNG) buses or diesel buses less than or greater than 8 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.

Observable and Unobservable 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.

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 2017

NOTE 19 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair value measurements using significant unobservable inputs (Level 3)

2017	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	20,241	170	99,374	16,462	20
Revaluation (Decrement) Recognised in Other Comprehensive Income	325	-	12,796	490	-
Revaluation Decrement Recognised in Operating (Deficit)	(823)	-	-	-	-
Depreciation	-	-	(5,402)	-	-
Disposals	(1,182)	(19)	(6,856)	(3,057)	-
	-	(136)	-	(13)	-
Fair Value at the End of the Reporting Period	18,561	15	99,912	13,882	20

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 19 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 2017

NOTE 20 INTANGIBLE ASSETS

ACTION has internally generated software to monitor fuel use within the ACTION bus fleet.

	2017	2016
	\$'000	\$'000
Internally Generated Software		
Computer Software at Cost	682	682
Less: Accumulated Amortisation	(410)	(273)
Total Internally Generated Software	272	409
Total Intangible Assets	272	409

Reconciliation of Intangible Assets

The following table shows the movement of intangible assets

Carrying Amount at the Beginning of the Reporting Period	409	546
Amortisation	(137)	(137)
Carrying Amount at the End of the Reporting Period	272	409

NOTE 21 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.

Capital Works in Progress

Buses ^a	2,503	4,001
Total Capital Works in Progress	2,503	4,001

- a) Progress payments are made as part of the bus replacement program. The decrease in buses reflects the capitalisation of buses as they are placed into service. The remaining balance reflects 11 buses where further work is 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 2017

NOTE 21 CAPITAL WORKS IN PROGRESS - CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement of capital works in progress during 2016-17.

	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	-	4,001	-	4,001
Additions	347	11,309	1,529	13,185
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(325)	(12,796)	(493)	(13,614)
Capital Works in Progress Completed and Transferred to Expenses ^a	(22)	(11)	(1,036)	(1,069)
Carrying Amount at the End of the Reporting Period	-	2,503	-	2,503

a) Capital works expensed includes major parts purchased through capital funding of \$0.98 million (refer Note 8 *Supplies and Services*) and \$0.09 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 2017

NOTE 21 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 8 *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 2017

NOTE 22 PAYABLES

	2017	2016
	\$'000	\$'000
Current Payables		
Trade Payables	95	104
Other Payables	17	29
Accrued Expenses ^a	2,174	1,195
Total Current Payables	2,286	1,328

a) The increase in accrued expenses from prior year relates predominantly to capital invoices for bus purchases of \$0.7 million (\$0.2 million in 2015-16) and contractor payments relating to the Special Needs Transport function.

Payables are aged as follows:

Not Overdue	2,286	1,328
Total Payables	2,286	1,328

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Accrued Expenses	445	350
Total Payables with ACT Government Entities	445	350

Payables with Non-ACT Government Entities

Trade Payables	95	104
Other Payables	17	29
Accrued Expenses	1,729	845
Total Payables with Non-ACT Government Entities	1,841	978
Total Payables	2,286	1,328

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23 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.

	2017 \$'000	2016 \$'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)	1,704	2,045
Total Non-Current Borrowings	<u>1,704</u>	<u>2,045</u>
Total Non-Current Interest-Bearing Liabilities	<u>1,704</u>	<u>2,045</u>
Total Interest-Bearing Liabilities	<u><u>2,045</u></u>	<u><u>2,386</u></u>

Classification on the Balance Sheet

Interest-Bearing Liabilities

Current Interest-Bearing Liabilities	341	341
Non-Current Interest-Bearing Liabilities	1,704	2,045
Total Interest-Bearing Liabilities	<u><u>2,045</u></u>	<u><u>2,386</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 2016-17 reporting period.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 24 EMPLOYEE BENEFITS

	2017	2016
	\$'000	\$'000
Current Employee Benefits		
Annual Leave	7,663	7,388
Long Service Leave ^a	13,716	14,803
Accrued Wages and Salaries ^b	888	424
Accrued Payroll Tax ^c	504	-
Other Benefits	122	122
Total Current Employee Benefits	22,893	22,737
Non-Current Employee Benefits		
Long Service Leave	1,030	1,280
Total Non-Current Employee Benefits	1,030	1,280
Total Employee Benefits	23,923	24,017
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	7,663	7,388
Long Service Leave	1,480	1,237
Accrued Salaries	888	424
Accrued Payroll Tax	504	-
Other Benefits	122	122
Total Employee Benefits Payable within 12 Months	10,657	9,171
Estimated Amount Payable after 12 Months		
Long Service Leave	13,266	14,846
Total Employee Benefits Payable after 12 Months	13,266	14,846
Total Employee Benefits	23,923	24,017

At 30 June 2017, ACTION employed 868 FTE staff (819 in 2015-16). The increase can be attributed to increased operational staff to service the new bus network introduced in August 2016.

- a) The decrease in long service leave reflects the use of a lower rate to estimate long service leave liabilities of 103.4% in 2016-17 (114.7% in 2015-16). The use of the lower rate resulted in a \$1.61 million decrease in the long service leave liability and related expenses. This is partly offset by the increase in FTE in 2016-17.
- b) The increase in accrued wages and salaries reflects a greater number of days owing at 30 June 2017 compared to 30 June 2016 due to employees being paid fortnightly in arrears.
- c) Accrued payroll tax has increased from prior year as the June payment was not processed by the 30 June 2017. There was no payroll tax payment outstanding at 30 June 2016.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 25 OTHER LIABILITIES

	2017	2016
	\$'000	\$'000
Current Other Liabilities		
Revenue Received in Advance ^a	4,582	3,935
Total Current Other Liabilities	<u>4,582</u>	<u>3,935</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 and an increase in stored value on MyWay cards.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 26 EQUITY

	2017	2016
	\$'000	\$'000
Total Equity at the End of the Reporting Period		
Accumulated Funds	101,065	104,044
Asset Revaluation Surplus	44,401	32,974
Total Equity	145,466	137,018

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
Increment on Revaluation	12,250	-
Balance at the End of the Reporting Period	21,300	9,050

Building Revaluation Surplus

Balance at the Beginning of the Reporting Period	20,061	20,061
(Decrement) on Revaluation	(823)	-
Balance at the End of the Reporting Period	19,238	20,061

Heritage and Community Asset Revaluation Surplus

Balance at the Beginning of the Reporting Period	10	10
Balance at the End of the Reporting Period	10	10

Plant and Equipment Revaluation Surplus

Balance at the Beginning of the Reporting Period	3,853	3,822
Increment on Revaluation	-	31
Balance at the End of the Reporting Period	3,853	3,853

Total Asset Revaluation Surplus

Balance at the Beginning of the Reporting Period	32,974	32,943
Net Increment on Revaluation	11,427	31
Balance at the End of the Reporting Period	44,401	32,974

The current year increment is the result of valuations undertaken as at 31 May 2017. Refer to Note 19 *Property, Plant and Equipment* for further information. The prior year increment relates to a prior year revaluation adjustment.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 27 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 (see Appendix B) *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. 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 has no exposure to interest rate risk and there would be no 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 2017 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 2017

NOTE 27 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 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 2017

NOTE 27 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 2017 \$'000	Fair Value Amount 2017 \$'000	Carrying Amount 2016 \$'000	Fair Value Amount 2016 \$'000
Financial Assets					
Cash and Cash Equivalents	15	9,788	9,788	3,914	3,914
Receivables	16	195	195	3,757	3,757
Total Financial Assets		9,983	9,983	7,671	7,671
Financial Liabilities					
Payables	22	112	112	133	133
Commonwealth Borrowings ^a	23	2,045	2,740	2,386	3,359
Revenue Received in Advance ^b	25	4,582	1,639	3,935	843
Total Financial Liabilities		6,739	4,491	6,454	4,335

- a) The carrying amount for Commonwealth borrowings reflects the outstanding principal that ACTION is liable to pay. Fair value is measured at the net present value of future cash flows for principal and interest which has been discounted at the prevailing Government bond rate.
- b) The carrying amount for revenue received in advance represents the credit balances on MyWay cards for prepaid travel which is yet to be used. Fair value represents the amount ACTION would be obligated to refund card holders once the \$25 administration fee to process refunds has been applied.

The undiscounted cash flows associated with these financial instruments are reflected elsewhere in this note.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 27 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 2017. 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	15		-	-	-	9,788	9,788
Receivables	16		-	-	-	195	195
Total Financial Assets			-	-	-	9,983	9,983
Financial Liabilities							
Payables	22		-	-	-	112	112
Commonwealth Borrowings	23	12.57%	598	1,963	384	-	2,945
Revenue Received in Advance	25		-	-	-	4,582	4,582
Total Financial Liabilities			598	1,963	384	4,694	7,639
Net Financial (Liabilities)/Assets			(598)	(1,963)	(384)	5,289	2,344

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 27 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	15		-	-	-	3,914	3,914
Receivables	16		-	-	-	3,757	3,757
Total Financial Assets			-	-	-	7,671	7,671
Financial Liabilities							
Payables	22		-	-	-	133	133
Commonwealth Borrowings	23	12.57%	641	2,134	811	-	3,586
Revenue Received in Advance	25		-	-	-	3,935	3,935
Total Financial Liabilities			641	2,134	811	4,068	7,654
Net Financial (Liabilities)/ Assets			(641)	(2,134)	(811)	3,603	17

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 27 FINANCIAL INSTRUMENTS - CONTINUED

	2017 \$'000	2016 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables Measured at Amortised Cost	195	3,757
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	6,739	6,454

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 2017

NOTE 28 COMMITMENTS

	2017 \$'000	2016 \$'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	2,946	5,056
Total Capital Commitments - Property, Plant and Equipment	2,946	5,056

Capital commitments relate to the amount owing for nine buses as part of the bus replacement project. ACTION expects the delivery of these buses in early 2017-18.

Other Commitments

Other commitments contracted at reporting date that have not been recognised as liabilities are as follows:

Payable:		
Within one year	5,527	3,522
Later than one year but not later than five years	11,047	9,544
Total Other Commitments	16,574	13,066

Other commitments relate to contracted commitments for the provision of cash collection services, rural bus services, special needs transport services as well as commitments for the provision of ICT, call handling, human resource and finance services provided by other ACT Government agencies. The increase from prior year predominantly relates to the recognition of special needs transport contract that transferred from ETD to ACTION on 1 July 2016.

Operating Lease Commitments

Non-Cancellable Operating Lease Commitments

Non-cancellable operating commitments are payable as follows:

Within one year	902	1,015
Later than one year but not later than five years	577	1,291
Later than five years	5	9
Total Operating Lease Commitments	1,484	2,315

Operating lease commitments relates to ICT equipment, support vehicles and passenger vehicles used for special needs and community transport. The decrease in operating lease commitments from 2015-16 reflects a reduction in the unexpired contract period of existing leases with several vehicles coming to the end of their lease terms in 2017-18.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 29 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

ACTION is subject to various claims at the reporting date with the contingent liabilities being shown below:

	2017	2016
	\$'000	\$'000
Legal Claims	280	260
Total Contingent Liabilities	280	260

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 2017 (nil at 30 June 2016).

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 30 INCOME TAX EQUIVALENTS

	2017 \$'000	2016 \$'000
(a) Components of Income Tax Equivalents Expense/(Income)		
Current Tax Equivalents (Income)	(4,252)	(4,021)
Deferred Tax Equivalents (Income) Relating to the Origination and Reversal of Temporary Differences	(333)	(385)
Tax Effect of Tax Losses not Recognised	(4,585)	4,406
	<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	(15,283)	(14,784)
Income Tax Equivalents (Income) Calculated at 30%	(4,585)	(4,435)
	<u>(4,585)</u>	<u>(4,435)</u>
Tax Effect of Tax Losses not Recognised	4,585	4,406
Tax Effect of Reversal of Temporary Differences from Prior Years	-	29
	<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) Income Tax Recognised Directly in Equity		
Deferred Tax Asset from Revaluation of Assets	3,448	-
Tax Effect of Tax Losses not Recognised	(3,448)	-
	<u>-</u>	<u>-</u>
(d) Recognised Deferred Tax Balances		
The following deferred tax balances have been recognised in the accounts:		
Deferred Tax Liabilities on Temporary Differences	(3,658)	(1,734)
Deferred Tax Asset Relating to Revenue Losses	3,658	1,734
	<u>-</u>	<u>-</u>
(e) Unrecognised Deferred Tax Balances		
The following deferred tax assets have not been brought to account as assets:		
Tax Losses - Revenue	31,864	29,537
	<u>31,864</u>	<u>29,537</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 2017

NOTE 31 CASH FLOW RECONCILIATION

	2017 \$'000	2016 \$'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	9,708	3,808
Cash on Hand	80	106
Total Cash and Cash Equivalents Recorded in the Balance Sheet	9,788	3,914
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	9,788	3,914
(b) Reconciliation of Operating (Deficit) to Net Cash (Outflows)/Inflows from Operating Activities		
Operating (Deficit)	(15,283)	(14,784)
Add/(Less) Non-Cash Items		
Depreciation of Property, Plant and Equipment	11,672	11,112
Amortisation of Intangibles	136	137
Impairment Loss of Inventory	53	(114)
Impairment Loss on Receivables	28	18
Impairment Loss of Property, Plant and Equipment	7	68
Loss on Revaluation of Buses	5,268	-
Assets transferred to Other ACT Government Entities	136	-
Add Items Classified as Investing or Financing		
Write-off/ Loss on Disposal of Non-Current Assets	10	119
Write-off/ Loss on Disposal of Inventory	4	108
Cash Before Changes in Operating Assets and Liabilities	2,031	(3,336)
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	2,581	(1,719)
(Increase) in Inventories	(212)	(343)
Decrease in Other Assets	186	261
(Decrease)/Increase in Payables	457	(210)
(Decrease)/Increase in Employee Benefits	(93)	1,090
Increase in Other Liabilities	647	587
Net Changes in Operating Assets and Liabilities	3,566	(334)
Net Cash Inflows/(Outflows) from Operating Activities	5,597	(3,670)

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 32 EVENTS OCCURRING 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 2017.

NOTE 33 GUARANTEES

There were no guarantees or undertakings by ACTION that are not disclosed within the accompanying notes of these financial statements.

NOTE 34 RELATED PARTY DISCLOSURES

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

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of ACTION, directly or indirectly.

KMP of the ACTION are the Portfolio Minister, Director-General of the Transport Canberra and City Services Directorate and certain members of the Senior Management Team.

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

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

Parent/Controlling Entities

ACTION is an ACT Government controlled entity.

Key Management Personnel

(i) Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2017. ACTION did not provide any compensation directly to its Portfolio Minister.

Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) financial statements for the year ended 30 June 2017. ACTION did not provide any compensation directly to the Head of Service.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 34 RELATED PARTY DISCLOSURES - CONTINUED

Key Management Personnel – Continued

The KMP of ACTION are employees of the Transport Canberra and City Services Directorate (TCCS) and are paid compensation by TCCS. ACTION did not provide any compensation directly to these KMP. Further details of compensation for these KMP are contained in Note 40 *Related Party Disclosures* of TCCS Financial Statements for the year ended 30 June 2017.

(ii) Transactions with Key Management Personnel

There were no material transactions with KMP of the Territory Government.

(iii) Transaction with parties related to Key Management Personnel

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

There were no close family members of KMP employed by ACTION at an Executive level.

Transactions with other ACT Government Controlled Entities

All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial statements of ACTION.

ACTION

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2017

NOTE 35 BUDGETARY REPORTING

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: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (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 2016-17 \$'000	2016-17' \$'000	Variance \$'000	%	
Cash and Cash Equivalents	9,788	4,287	5,501	128.32	The above budget result reflects the reduction in receivables outstanding at year end due to payment within the 2016-17 financial year (\$0.9 million), an increase in cash held for the larger prepaid balance on MyWay cards (\$1.2 million) and cash held for the employee expenses (\$3.3 million) to be paid out in early 2017-18 prior to the receipt of the first service instalment payment from Government.
Current Receivables	2,427	3,343	(916)	(27.40)	The below budget result reflects greater revenue items settled within the financial year than anticipated in the original budget.
Inventories	3,378	2,931	447	15.25	The above budget result reflects a greater parts inventory stock required to maintain and service the expanding mix of bus models and the increased number of buses in the fleet in a timely manner.
Current Payables	2,286	3,517	(1,231)	(35.00)	The variance is mainly due to a greater volume of invoices received and paid in full before end of financial year which was not anticipated in the original budget.
Current Employee Benefits	22,894	19,917	2,977	14.95	The variance is predominantly due to under-allocation of long service leave in the budget and accrued payroll tax expense for payment in early July 2017 not reflected in the budget.

ACTION
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 35 BUDGETARY REPORTING - CONTINUED

	Actual 2016-17 \$'000	Original Budget 2016-17 ¹ \$'000	Variance \$'000	Variance %	Variance Explanation
Balance Sheet Line Items - Continued					
Other Liabilities	4,582	3,349	1,233	36.82	The variance is due to the trends towards maintaining higher balances on MyWay cards which was underestimated in the budget.
Non-Current Employee Benefits	1,030	1,452	(422)	(29.06)	The variance is the result of a change in the mix of current and non- current long service leave provisions not reflected in the budget.

Statement of Changes in Equity

These line items are covered in other financial statements.

Cash Flow Statement Line Items

Purchase of Property, Plant and Equipment	11,527	14,495	(2,968)	(20.48)	The lower than budget result reflects delays in the delivery of buses due to slippage in the timing of bus body builds.
Capital Payments from the Transport Canberra and City Services Directorate	12,303	14,495	(2,192)	(15.12)	The lower than budget result reflects the reduction in capital payments associated with the delays in the delivery of buses.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Legislative Requirement

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 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 Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

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

Going Concern

As disclosed in the Balance Sheet, at 30 June 2017, ACTION's current liabilities (\$30.102 million) exceeded its current assets (\$15.931 million) by \$14.171 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 Transport Canberra and City Services Directorate.

The 2016-17 financial statements have been prepared on a going concern basis as ACTION has been funded in the 2017-18 Budget and Budget Papers include forward estimates for ACTION.

Accrual Accounting

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 property, plant and equipment, which have been valued at fair value in accordance with ACTION's revaluation policies applicable to the Directorate during the reporting period.

Currency

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

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS – CONTINUED

Individual Reporting Entity

ACTION is an individual reporting entity.

Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of ACTION for the year end 30 June 2017 and the financial position of ACTION as at 30 June 2017.

Comparative Figures

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2016-17 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the 2016-17 Budget Papers.

Prior Year Comparatives

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

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

Rounding

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

APPENDIX B SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES - INCOME

Revenue Recognition

Revenue is recognised in the Operating Statement at the fair value of the consideration received or receivable.

NOTE 3 – USER CHARGES

ACT Government User Charges

User Charges – ACT Government includes service payments from the General Government Sector, concessional travel payments, 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.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

SIGNIFICANT ACCOUNTING POLICIES – INCOME - CONTINUED

NOTE 3 – USER CHARGES – CONTINUED

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 or as stipulated by contract 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*.

NOTE 4 – 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.

Resources provided free of charge are recorded as an expense against the line item to which they relate.

NOTE 5 – OTHER REVENUE

Other revenue includes grants received from Commonwealth Government for fuel tax credits, prior year worker's compensation reimbursements and recoveries and is recognised when the amount of revenue can be reliably measured and it is probable that the economic benefits associated with the transaction will flow to ACTION.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

NOTE 6 – EMPLOYEE EXPENSES

Employee expenses includes:

- Wages and salaries, payroll tax and workers compensation insurance premium.
- Annual and long service leave where the expense has been realised as well as movements in the leave provisions which are expensed in the period in which they occur (see Appendix B - Note 24 – *Employee Benefits*).
- Termination expenses.

NOTE 7 – SUPERANNUATION EXPENSES

Superannuation payments are made to the Territory Banking Account each fortnight, to extinguish ACTION's superannuation liability for employees who are members of the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment does not include the CSS and PSS productivity component which is paid directly to the Commonwealth Superannuation Corporation (CSC) by ACTION.

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.

ACTION's accrued superannuation liability obligations are expensed as they are incurred.

Superannuation Liability Recognition

The superannuation liability for the Territory's relevant share of the employer financed portion of entitlements of all employees participating in the CSS and PSS schemes who became Territory employees with effect on or after 1 July 1989 is recognised at a total Territory level in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account.

The ACT Government reimburses the CSC annually for the Territory's share of the employer superannuation benefits paid to entitled Territory employees who are, or were members of the CSS and PSS. These reimbursement payments are made from the Superannuation Provision Account.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES – CONTINUED

NOTE 8 – SUPPLIES AND SERVICES

Insurance

Major risks are insured through the ACT Insurance Authority. An excess of \$10,000 is payable on all claims under this arrangement.

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.

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.

NOTE 9 – DEPRECIATION AND AMORTISATION

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	20-30
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.

NOTE 10 – BORROWING COSTS

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

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES – CONTINUED

NOTE 13 – WAIVER, IMPAIRMENT LOSSES AND WRITE-OFFS

Waivers

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.

Impairment Losses - Assets

Expense impairment losses of assets include: Property Plant and Equipment and Inventory (see Appendix B - Note 19 *Property, Plant and Equipment - Impairment of Assets*).

Impairment Losses - Receivables

The allowance for impairment of receivables recognises receivables that are anticipated will not be repaid (see Note 16 *Receivables - Impairment Loss Receivables*).

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

Assets – Current and Non-Current

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

NOTE 15 – 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.

NOTE 16 – RECEIVABLES

Accounts 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 (see Appendix B - Note 13 *Waivers, Impairment Losses and Write-Offs*).

Impairment Loss - Receivables

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 (see Appendix B - Note 13 *Waivers, Impairment Losses and Write-Offs*). 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.

Significant Accounting Judgements and Estimates – Allowance for Impairment Losses

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.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

NOTE 17 – 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 with the different expensed in the Operating Statement.

Significant Accounting Judgements and Estimates – Inventories

Replacement of Driver and Passenger Seats and Major Bus Components: ACTION has made a significant judgement regarding the recognition of expenditure on the replacement of major bus components, 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.

NOTE 19 – PROPERTY, PLANT AND EQUIPMENT

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.

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.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

NOTE 19 – PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Measurement of Property, Plant and Equipment After Initial Recognition - Continued

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 diesel buses (up to 8 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 8 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.

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 the external valuers RHAS and AON Risk Services Australia Limited. The useful lives are re-assessed on an annual basis and any adjustments are made when considered necessary.

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.

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.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

NOTE 19 – PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Measurement of Property, Plant and Equipment After Initial Recognition - Continued

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.

Significant Accounting Judgements and Estimates - Fair Value of Assets

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.

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.

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 plant and equipment has been determined by an independent valuer for most items as the market value of the respective item, taking into account the total useful life of the item and likely replacement costs, with the exception of specialised equipment which is measured at fair value using the depreciated replacement cost.

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.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – ASSETS - CONTINUED

NOTE 19 – PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Significant Accounting Judgements and Estimates - Fair Value of Assets – Continued

Fair Value of Leasehold Improvements: ACTION has made an estimate regarding the fair value of its leasehold improvements. The leasehold improvements have been recorded at cost.

Significant Accounting Judgements and Estimates – Impairment Losses

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.

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 489 buses. ACTION's current bus network requires 428 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 four older vehicles for training purposes. There are an additional 57 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.

NOTE 20 – 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.

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, not exceeding 5 years. Intangible assets are measured at cost.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

SIGNIFICANT ACCOUNTING POLICIES - LIABILITIES

Liabilities – Current and Non-Current

Liabilities are classified as current or non-current in the Balance sheet and in the relevant notes. 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. Liabilities which do not fall within the current classification are classified as non-current.

NOTE 22 – 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.

NOTE 23 – 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.

NOTE 24 – EMPLOYEE BENEFITS

Employee benefits include:

- short-term employee benefits such as accrued 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; 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.

ACTION
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES - CONTINUED

NOTE 24 – EMPLOYEE BENEFITS - CONTINUED

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.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within 3 years. In 2016-17 the rate used to estimate the present value of future annual leave payments is 99.8% (101.4% in 2015-16).

In 2016-17, the rate used to estimate the present value of future payments for long service leave is 103.4% (114.7% in 2015-16). The use of a lower rate resulted in a decrease of \$1.61 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.

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**APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES - CONTINUED

NOTE 24 – EMPLOYEE BENEFITS - CONTINUED

Significant Judgements and Estimates – 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.

NOTE 25 – OTHER LIABILITIES

Revenue Received in Advance

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

SIGNIFICANT ACCOUNTING POLICIES - EQUITY

NOTE 26 – EQUITY

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 Transport Canberra and City Services Directorate.

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

NOTE 29 – CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Significant Judgements and Estimates – 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.

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APPENDIX B SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

NOTE 30 – 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.

NOTE 35 – BUDGETARY REPORTING

Explanations of major variances between the 2016-17 original budget and the 2016-17 actual results are discussed in Note 35 – *Budgetary Reporting*.

Significant Judgements and Estimates –Budgetary Reporting

Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Note 35 *Budgetary Reporting*. Variances are considered to be major variances if both of the following criteria are met:

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

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**APPENDIX C 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 for for-profit entities, 1 January 2019 for not-for-profit entities);

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

This standard deferred the application date of AASB 15 *Revenue from Contracts with Customers* to 1 January 2018. AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for Profit Entities* further defers the application date of AASB 15 for not-for-profit entities until 1 January 2019. At this stage ACTION is not able to estimate the impact of AASB 15 on its financial statements and 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.

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**APPENDIX C IMPACT OF ACCOUNTING STANDARDS ISSUED
BUT YET TO BE APPLIED – CONTINUED**

- AASB 1058 *Income of Not-for-Profit Entities* (application date 1 January 2019);

This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 *Revenue from Contracts with Customers*. These standards supersede all the income recognition requirements relating to private sector not-for-profit entities, and the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004 *Contributions*. 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 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.

ACTION
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**APPENDIX C 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.

- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities* (application date 1 January 2017, which was the original mandatory effective date of AASB 15);

This standard amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by these entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018. At this stage ACTION is not able 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 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* [AASB 9 & 15] (application date 1 January 2019);

This standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those standards to particular transactions and other events. The amendments to AASB 9 address the initial measurement and recognition of non-contractual receivables arising from statutory requirements (including taxes, rates and fines). The amendments to AASB 15 address the following aspects of accounting for contracts with customers: identifying a contract with a customer; identifying performance obligations; and allocating the transaction price to performance obligations. ACTION will assess the impact of this implementation guidance on its financial statements over the next 12 months.

C.3 - CAPITAL WORKS

TABLE 18: CAPITAL WORKS

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2016-17 Expenditure (\$'000)	Total Expenditure to Date
New Works - Major New Works							
Roads ACT							
Better Roads for Gungahlin - Horse Park Drive duplication	Jun-19	Jun-19	57,000	57,000	0	3,445	3,445
Better Roads for Belconnen - Aikman Drive duplication	Jun-18	Jun-18	9,801	9,801	0	3,523	3,523
Better Roads for Canberra - Stronger bridges to transport freight	Jun-19	Jun-19	6,500	6,500	0	1,181	1,181
Better Roads for Weston Creek - Cotter Road duplication	Jun-19	Mar-18	28,900	28,900	0	11,888	11,888
Better Public Transport - Active travel for schools and shopping centres	Jun-18	Jun-18	3,300	3,300	0	614	614
Better Roads for Tuggeranong - Ashley Drive duplication	Jun-18	Jun-18	3,500	3,500	0	470	470
Better Public Transport for Tuggeranong - Park and ride facility for Wanniasa	Jun-18	May-18	1,500	1,500	0	477	477
Parks and Conservation Services					0		
Improving Our Suburbs - Local shopping centre upgrades	Jun-17	Oct-17	475	475	0	154	154
ACTION							
Better Public Transport for Woden and Weston Creek - New Woden bus depot	Jun-19	Dec-17	775	775	0	75	75
TOTAL MAJOR NEW WORKS (EXCLUDING THE CAPITAL UPGRADE PROGRAM)			111,751	111,751	-	21,827	21,827

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2016-17 Expenditure (\$'000)	Total Expenditure to Date
Capital Upgrade Program 2016-17							
Roads ACT							
Footpath and cycling improvements	Jun-17	Jul-17	1,500	1,500	0	1,164	1,164
Stormwater improvement program	Jun-17	Jul-17	1,415	1,415	0	1,249	1,249
Residential street improvements	Jun-17	Jul-17	600	600	0	483	483
ACT NoWaste							
Mugga Lane transfer station road improvements and weighbridge upgrade	Jun-17	Jul-17	800	800	0	658	658
City Presentation							
Playground package	Jun-17	Sep-17	900	900	0	228	228
Playgrounds - Four major upgrades	Jun-17	Aug-17	900	900	0	793	793
Dog park in Weston Creek	Jun-17	Oct-17	320	320	0	83	83
Public toilet upgrade program	Jun-17	Jul-17	785	785	0	653	653
Group centre package	Jun-17	Jul-17	1,000	1,000	0	603	603
Playground rehabilitation	Jun-17	Aug-17	900	900	0	723	723
Domestic Animal Services							
Redesign of the Domestic Animal Shelter including dog kennels and cattery	Jun-17	Aug-17	150	150	0	91	91
			9,270	9,270	0	6,728	6,728
TOTAL NEW WORKS			121,021	121,021	0	28,555	28,555

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2016-17 Expenditure (\$'000)	Total Expenditure to Date
Works in Progress 2016-17							
Roads ACT							
Better Roads for Gungahlin – Gundaroo Drive duplication – stage 1	Jun-17	Jun-18	31,185	31,185	3,328	11,779	15,107
Better Roads for Tuggeranong – Ashley Drive duplication – stage 2	Jun-18	Jun-18	24,602	24,602	2,137	8,649	10,786
Roads to Recovery - Pialligo Ave Scherger Dr Intersection	Jun-17	Aug-17	1,130	1,130	162	946	1,108
Roads to Recovery - Road rehabilitation	Jun-17	Jul-17	16,620	16,620	8,844	7,721	16,565
Civic to Gungahlin Corridor Improvements	Jun-16	Feb-18	20,000	20,000	9,081	6,245	15,326
William Slim/Barton Highway roundabout signalisation	Jun-17	Mar-17	10,000	10,000	5,978	4,022	10,000
Roads to Recovery Federal forward year funding	Jun-18	Jun-19	23,600	23,600	9,918	3,281	13,199
ACT travel time information	Jun-15	Jul-17	700	700	273	397	670
ACT NOWaste							
Essential waste management infrastructure	Jun-17	Sep-17	20,911	20,911	5,110	14,364	19,474
Improved waste resource recovery - GPO	Jun-17	Oct-17	2,805	2,805	1,172	1,402	2,574
Mugga Lane – Rehabilitation of old landfill cells	Jun-15	Aug-17	3,100	3,100	2,015	750	2,765
West Belconnen Resource Management Centre rehabilitation of landfill cells	Jun-15	Jun-18	2,550	1,705	1,533	0	1,533
ACTION							
Replace underground storage tanks	Jun-16	Jul-17	6,536	3,036	2,769	129	2,898

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2016-17 Expenditure (\$'000)	Total Expenditure to Date
Light Rail							
Light Rail - stage 1	Jun-19	Jun-19	54,077	51,991	12,900	10,411	23,311
Urban Improvement Program							
Local shopping centre upgrades program	Jun-16	Jul-17	2,000	2,000	1,750	246	1,996
Urban Renewal Program – Erindale Group Centre – Gartside Street (south) development – stage 1	Jun-17	Oct-17	860	860	81	114	195
Urban Renewal Program – Phillip trade service area parking management	Jun-16	Jan-18	419	419	69	217	286
Urban Renewal Program – Tuggeranong – Anketell Street (north) upgrade – stage 1	Jun-16	Jul-17	430	430	28	292	320
Urban Renewal Program – Tuggeranong Valley and Kaleen age friendly facilities	Jun-17	Jul-17	500	500	70	413	483
Urban Renewal Program – Weston Group Centre – Brierly Street and Trenerry Square upgrades	Jun-17	Oct-17	860	860	52	168	220
TOTAL WORKS IN PROGRESS			222,885	216,454	67,270	71,545	138,815

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2016-17 Expenditure (\$'000)	Total Expenditure to Date
Physically Complete Projects 2016-17							
Roads ACT							
Better Roads for Woden - Intersection safety upgrades	Jun-17	Jun-17	1,520	1,520	0	1,520	1,520
Disability Discrimination Act 1992 compliance upgrades program	Jun-17	Jun-17	1,000	1,000	0	994	994
Road safety measures	Jun-17	Jun-17	500	500	0	500	500
Improve pollution control measures at gross pollutant traps	Jun-17	Jun-17	300	300	0	268	268
Coombs Pond A and B rehabilitation	Jun-17	Jun-17	1,000	1,000	0	876	876
Traffic management and active streets at schools	Jun-17	Jun-17	300	300	0	300	300
Safety improvements lighting	Jun-17	Jun-17	500	500	0	501	501
Transport for Canberra - Majura Parkway	Jun-16	Aug-16	278,500	283,500	292,565	789	293,354
Design Ashley Avenue - stage 2	Jun-15	Sep-15	1,575	1,575	1,575	0	1,575
Better Roads for Gungahlin - Horse Park Drive duplication - GPO	Jun-17	Sep-16	1,000	1,000	787	214	1,001
Urban Renewal Program - Acton - Sullivans Creek cycle path upgrades	Jun-17	Apr-17	1,500	1,500	413	1,087	1,500
Urban Renewal Program - Oaks Estate river corridor heritage walk improvements - stage 1	Jun-17	Mar-17	230	230	20	183	203
ACT NOWaste							
Mugga lane fencing	Jun-17	Mar-17	500	500	0	490	490
Mugga Lane - Replace damaged septic system	Jun-16	Mar-17	764	764	158	606	764
Mugga 2 Quarry - remediation	Jun-16	Mar-17	2,939	3,289	2,012	1,228	3,240
City Presentation							
Upgrade skate parks and fitness equipment	Jun-17	Jun-17	330	330	0	329	329
Town and District Park upgrades	Jun-13	Aug-15	6,000	6,150	6,119	14	6,133
ACTION							
Bus major component overhauls including driver and passenger seat replacement	Jun-17	Jun-17	1,000	1,000	0	984	984
TOTAL PROJECTS PHYSICALLY COMPLETE			299,458	304,958	303,649	10,884	314,533

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2016-17 Expenditure (\$'000)	Total Expenditure to Date
Physically and Financially Complete Projects 2016-17							
Roads ACT							
Constitution Avenue	Sep-16	Apr-17	42,000	42,000	42,000	0	42,000
Majura off road shared path	Jun-16	Sep-16	10,000	10,000	9,900	100	10,000
Kingston – Wentworth Avenue pavement rehabilitation - stage 2 (design)	Jun-14	Jun-15	200	200	200	0	200
Bridge strengthening on commercial routes	Jun-15	Aug-16	1,600	1,600	1,568	32	1,600
Majura Parkway post completion review	Jun-17	Jun-17	200	200	0	200	200
Bridge strengthening on commercial routes	Jun-16	Dec-16	700	1,636	295	1,141	1,436
Pialligo and Airport road network - GPO	Jun-17	Jun-17	900	900	401	499	900
Urban Renewal Program – Belconnen Town Centre improved cycling connections	Jun-16	Jun-16	100	100	100	1	101
Urban Renewal Program – Kambah Group Centre – public domain improvements – stage 1	Jun-16	Sep-16	50	50	37	13	50
Urban Renewal Program – Kingston Group Centre – pedestrian and cycling accessibility improvements – stage 1	Jun-16	Oct-16	150	150	140	10	150
Urban Renewal Program – Molonglo to the city highway	Jun-16	Aug-16	200	200	125	75	200
Urban Renewal Program – Woden – Canberra Hospital connections	Jun-16	Jul-16	532	532	439	94	533
Urban Renewal Program – Woden Town Centre cycle and pedestrian network improvements - GPO	Jun-16	Aug-16	250	250	175	75	250
Constitution Avenue to Vernon Circle	Jun-17	Apr-17	2,800	2,800	943	1,858	2,801
City Presentation							
Shopping Centre upgrade program – Red Hill and Lyons	Jun-13	Sep-16	8,000	8,000	7,756	244	8,000
Urban Renewal Program – playground repairs	Jun-16	Sep-16	200	200	130	70	200

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2016-17 Expenditure (\$'000)	Total Expenditure to Date
ACT NOWaste							
Caring for our Environment - Essential waste management infrastructure	Jun-17	Apr-17	1,000	1,000	0	1,000	1,000
Mugga Lane – replace asbestos disposal site	Jun-16	Jun-16	1,223	873	785	90	875
Capital Upgrades							
Macarthur House amenities upgrade	Jun-17	Feb-17	120	120	0	120	120
Protective security upgrades	Jun-17	May-17	400	400	0	400	400
Library interior upgrades and Kippax Library chute upgrade	Jun-17	May-17	350	350	0	350	350
Armour cable upgrade	Jun-17	May-17	500	500	0	500	500
Signal refurbishments	Jun-17	May-17	400	400	0	400	400
Road barrier improvements	Jun-17	Aug-16	200	200	0	208	208
Road batter slope Improvements	Jun-17	Jun-17	200	200	0	200	200
Bridge bearing replacement	Jun-17	Mar-17	200	200	0	200	200
Energy efficient lighting	Jun-17	May-17	500	500	0	500	500
Tow truck component replacement	Jun-17	May-17	100	100	0	100	100
Tuggeranong and Belconnen depot and workshop site and tool upgrades	Jun-17	Apr-17	656	656	0	656	656
Prior Year Capital Upgrades							
Bridge strengthening	Jun-16	Aug-16	200	200	135	65	200
Improvement of pollution control measures at gross pollutant traps	Jun-16	Jul-16	250	250	237	13	250
Federal Highway truck inspection lay-bys	Jun-16	Dec-16	4,000	4,000	1,485	2,515	4,000
Armour cable upgrade	Jun-16	Jun-16	600	600	600	0	600
Bike rack upgrades	Jun-16	Jun-16	50	50	50	0	50
Footpath and cycling improvements	Jun-16	Aug-16	2,000	2,000	1,599	401	2,000
Public car park improvements	Jun-16	Jun-16	200	200	200	0	200
Public transport infrastructure upgrades (including Disability Standard bus stop upgrades)	Jun-16	Jul-16	2,600	2,600	2,583	18	2,601
Residential street improvements	Jun-16	Jun-16	400	400	400	0	400
Road barrier improvements	Jun-16	Aug-16	300	300	300	0	300
Road safety measures	Jun-16	Jul-16	700	700	464	236	700

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr Expenditure (\$'000)	2016-17 Expenditure (\$'000)	Total Expenditure to Date
Safety improvements lighting program	Jun-16	Jul-16	1,200	1,200	1,187	13	1,200
Stormwater improvement program	Jun-16	Sep-16	1,000	1,000	572	429	1,001
Improvements to control contamination and illegal dumping at recycling drop off centres	Jun-16	May-16	200	200	202	0	202
Upgrade of open space street furniture	Jun-16	Sep-16	290	290	254	38	292
Public toilet upgrades	Jun-16	Aug-16	300	300	276	24	300
Irrigation upgrade to Black Mountain Peninsula	Jun-16	Jul-16	457	547	525	22	547
Point Hut flying fox replacement	Jun-16	Aug-16	300	300	251	49	300
Refurbishment of Yarralumla Nursery	Jun-16	Jul-16	850	850	819	31	850
Fitness equipment upgrade	Jun-16	Jul-16	120	120	99	21	120
Safety infrastructure upgrades at Mitchell Resource Management Centre	Jun-16	Oct-16	300	300	136	164	300
Upgrade oil recycling facilities at Mugga Lane Resource Management Centre	Jun-16	Jun-16	130	130	119	11	130
Drinking fountains	Jun-16	Jun-16	100	100	97	3	100
TOTAL PROJECTS PHYSICALLY AND FINANCIALLY COMPLETE			90,278	90,954	77,584	13,191	90,775
TOTAL COMBINED CAPITAL WORKS PROGRAM			733,642	733,387	448,503	124,176	572,678

RECONCILIATION OF FUNDING AND EXPENDITURE		\$
Reconciliation of Total Current Year Financing		
Original Capital Works Financing		231,685
Add: s16B Rollovers from 2015-16		22,284
Add: S17 Variation of Appropriation		12,815
Add: Transfers from other Directorates		40
Less: S16 Transfers of Appropriation		(130)
Less: S14 Transfers of Appropriation		(495)
Less: Capital Injection not drawn in 2016-17		(127,396)
Capital Injection from Government per Cash Flow Statement		138,803
Reconciliation of Total Current Year Actual Expenditure - Against Financing		
Total Current Year Capital Works Expenditure		124,176
Add: Expenditure for other Capital Injection Projects		14,649
Add: Accruals 2015-16		22,291
Less: Accruals 2016-17		(18,017)
Less: GPO Funded Projects		(4,296)
Capital Injection from Government per Cash Flow Statement		138,803
Reconciliation of Total Current Year Actual Expenditure		
Total Current Year Capital Works Expenditure		124,176
Add: Own-Sourced Capital Works Expenditure		932
Add: WIP Expenditure for other Capital Injection Projects		9,419
Add: Accruals 2015-16		22,291
Less: Accruals 2016-17		(18,017)
Less: GPO Funded Projects		(4,296)
TOTAL PAYMENTS FROM INVESTING ACTIVITIES AS PER CASH FLOW STATEMENT		134,505

C.4 - ASSETS MANAGED AND OFFICE ACCOMMODATION

TCCS 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 2016-17 at \$9.2 billion.

The largest asset category was infrastructure assets including roads, bridges, community paths, traffic signals, streetlights, stormwater, waste and recycling assets. Other assets in the TCCS portfolio included public libraries, public transport, urban open space, and property assets.

During the reporting period, TCCS reassessed the value of selected infrastructure, land, heritage and community, and plant and equipment in accordance with the ACT Accounting Policy, resulting in an increase in the asset value of \$138.6 million.

The TCCS asset value of \$9.2 billion also includes a \$218.5 million increase in value arising from the following acquisitions and transfers:

- > new assets, the majority of which related to completed capital works infrastructure and plant and equipment totalling \$83.5 million;
- > infrastructure assets transferred from the Land Development Agency valued at \$69.7 million;
- > infrastructure and plant and equipment transferred from land developers valued at \$5.2 million; and
- > infrastructure assets from CMTEDD which were valued at \$60.1 million.

TABLE 19: TCCS MANAGED ASSETS

Asset type	
Roads*	3,122 kilometres (6,959 lane kilometres)
Bridges and culverts*	1,246
Footpaths*	2,465 kilometres
Streetlights (lamps)*	77,240
Stormwater*	3,761 pipe kilometres
Cycle lanes (on road)*	566 kilometres
Cycle paths (off road)*	455 kilometres
Urban open space	6,108 hectares
Lakes and ponds	369 hectares
Urban trees	763,078
Public libraries	607,117 collection items
Playgrounds	500
Barbeques	115
Toilets	69

*IAMS database as at 30 June 2017

TABLE 20: TCCS ASSET VALUATION

Asset	Value \$'m	Revaluation increment \$'m
Infrastructure	6,802.4	28.5
Heritage and community	2,263.6	96.7
Buildings	33.3	n/a
Land	42.1	0.1
Plant and equipment	42.4	13.3
Leasehold improvements	1.2	n/a
Intangible assets	4.9	n/a
Total	9,189.4	138.6

STRATEGIC ASSET MANAGEMENT FRAMEWORK (SAMF)

The SAMF enabled TCCS to create and maintain an asset portfolio that efficiently meets the requirements of the directorate and the community.

The SAMF allowed TCCS 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, inform the community of government aspirations, service level requirements and investment decisions.

ASSET MAINTENANCE AND UPGRADE

Excluding capital works, expenditure on capital upgrades undertaken in 2016-17 totalled \$15.6 million, consisting of:

> ACT NOWaste	\$1.2 million
> ACTION engine overhauls and other upgrades	\$1.7 million
> Domestic Animal Services	\$0.1 million
> Neighbourhood improvements	\$1.8 million
> Open space improvements	\$3.4 million
> Property improvements	\$0.5 million
> Public libraries	\$0.3 million
> Road safety measures and rehabilitation	\$4.2 million
> Water resources/stormwater improvements	\$2.4 million

Public Transport

Delivery of new Euro VI Scania buses continued during 2016-17 under a fleet replacement program with one articulated and 26 rigid accessible buses replacing older buses in the ACTION fleet.

Upgrades at Belconnen and Tuggeranong bus depots were completed in 2016-17 to the value of \$650,000 and included the upgrade of the LED lighting in both Tuggeranong and Belconnen bus depots, the Belconnen Workshop Manager Office, road surface repairs and additional line marking to increase operational efficiency and safety. The continued overhaul of major bus components as part of the capital upgrade program was also undertaken.

Capital Linen Service

Plant and equipment preventative maintenance was a focus in 2016-17 to ensure key equipment was available to meet the rapid increase in demand. TCCS completed 99.9 per cent of all planned maintenance activities over the course of the year.

Capital Linen Service finalised the purchase of a small piece towel folding line which will contribute to improving productivity, reduce manual hand folding of linen and reduce labour costs. The small piece towel folding line is scheduled for installation in September 2017.

Land Management

Maintenance of the urban assets includes mowing, cleaning, litter picking, painting, pruning, mulching, safety inspections and repairs. This ensures assets are maintained in a safe, functional and attractive condition.

During the reporting period, TCCS mowed an additional 176 hectares of urban open space and managed an additional 3,956 trees in new areas throughout the ACT. TCCS also managed and maintained 90 shopping precinct areas, 417 designated urban parks, 100 hectares of irrigated grassland and 112 lakes and ponds.

Roads and Sustainable Transport

The Australian Road Research Board (ARRB) was engaged by the ACT Government in 2017 to provide advice on optimising road maintenance programs. Optimisation is based upon analysing road pavement condition data, traffic data, reviewing past programs (i.e. budgets versus amount resurfaced) and forecast of a future 10-year maintenance program.

The optimisation work program assisted in selecting road locations and resurfacing types to optimize the improvement of the overall condition of the road network. The ARRB report indicated that the overall condition of the road network is slowly deteriorating.

The Commonwealth Government provided additional Roads to Recovery funding which has been used to increase the annual road resurfacing program. Over one million square metres of resurfacing was carried out in 2016-17.

OFFICE ACCOMMODATION MANAGEMENT

At 30 June 2017, TCCS employed a total of 1,882 employees. Of these, 568 were office-based employees occupying 4,664.5 usable square metres at 490 and 496 Northbourne Avenue, Dickson. The average area occupied by each office-based employee was 8.21 square metres.

1,314 staff were employed in non-office environments and included personnel in libraries, bus interchanges, road maintenance, and city presentation, linen services and work depots.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.

C.5 - GOVERNMENT CONTRACTING

PROCUREMENT PRINCIPLES AND PROCESSES

TCCS used contractors and panels to deliver a wide range of services to the community which underpin the operations that allow TCCS to deliver timely and coordinated services to the Canberra community.

TCCS engaged the services of Shared Services Procurement and the ACT Government Solicitors Office for all procurements above \$200,000 and works valued over \$25,000 in accordance with the ACT Government's purchasing framework.

The contract information on contracts over \$25,000 are recorded on the ACT Government's contracts register <http://www.procurement.act.gov.au/contracts>

TCCS complied with the quotation and tender thresholds laid out in the *Government Procurement Regulation 2007*, and all TCCS contracts above \$1 million were submitted to the Government Procurement Board for review.

All TCCS construction contracts were engaged under prequalified panels.

A number of procurement processes have been designed to require or encourage, either directly or by subcontract, the delivery of services by social benefit organisations. These services include reusable facilities; cleaning of underpasses, bus stops and government assets; horticultural maintenance including potting, plant maintenance and the mulching of planted urban open space.

To ensure that contractors meet their legislative obligations, including work health and safety requirements, the performance of contractual activities in TCCS are monitored.


TCCS has a Contract and Procurement Management Framework that aligns 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. TCCS is currently reviewing its contract and procurement structure with the view to making enhancements over the next 12 months.

External Sources of Labour and Services

The Contracts Register table at Appendix 1 lists all contracts with a value of \$25,000 or more executed in 2016-2017 by TCCS, by output class, contractor/consultancy services.

C.6 - STATEMENT OF PERFORMANCE



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

REPORT OF FACTUAL FINDINGS

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

To the Members of the ACT Legislative Assembly

Review opinion

I am providing an **unqualified review opinion** on the statement of performance of the Transport Canberra and City Services Directorate (the Directorate) for the year ended 30 June 2017.

During the review, no matters were identified which indicate that the results of the accountability indicators reported in the statement of performance are not fairly presented in accordance with the *Financial Management Act 1996*.

Basis for the review opinion

The review was conducted in accordance with Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the review to provide a basis for the review opinion.

Responsibility for preparing and fairly presenting the statement of performance

The Director-General is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Responsibility for the review of the statement of performance

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*, the Auditor-General is responsible for issuing a report of factual findings on the statement of performance of the Directorate.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud* and implemented procedures to address these risks so that sufficient evidence was obtained to form a review opinion; and

- reported the scope and timing of the review and any significant deficiencies in reporting practices identified during the review to the Director-General.

(*The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls.)


Limitations on the scope of the review

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

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

This review does not provide assurance on the:

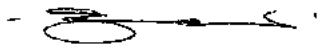
- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations;
- adequacy of controls implemented by the Directorate; or
- integrity of reviewed statement of performance presented electronically or information hyperlinked to or from the statement of performance. Assurance can only be provided for the printed copy of the reviewed statement of performance.


Dr Maxine Cooper
Auditor-General
19 September 2017

**Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2017**

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 2017 and also fairly reflects the judgements exercised in preparing it.



Emma Thomas
Director-General
Transport Canberra and City Services Directorate
18 September 2017

Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2017				
Output Class 1: Transport Canberra Output 1.1: Transport Canberra Description: Transport Canberra includes oversight of the construction of light rail, the Government subsidy paid to ACTION buses, and the strategic oversight of the public transport network, public transport asset management and the Active Travel Office.				
	Original Target 2016-17	Actual Result 2016-17	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
TOTAL COST (\$'000)	\$129,294	\$131,233	1%	
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$126,064	\$126,590	0%	
Accountability Indicators				
Light Rail				
a. Light rail track laying has commenced ¹	1	1	0% (100%)	Construction of the light rail stops is on hold while the construction methodology of the interface between the tracks and the stop platform is resolved. Construction of the Light Rail Stops is due to commence in quarter 3 of 2017.
b. Construction of light rail stops has commenced	3	0		
c. Light rail vehicles have been ordered	14	14	0%	
Active Travel				
d. Customer satisfaction with access to cycle and walking paths ²	85%	91%	7%	The above target result indicates that the community's expectations are being met, reflecting the Directorate's effort in 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

- ¹ 'Track laying has commenced' is defined as the process of laying concrete slabs and welding rail tracks.
- ² Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Transport Canberra and City Services Directorate (the Directorate). The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. The survey was conducted in June and July 2017. A total of 992 telephone surveys were collected for the financial year 2016-2017. Importance and satisfaction results were presented in both percentage satisfaction and 5-point satisfaction scales for comparison.

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2017				
Output Class 2: City Services Output 2.1: Roads and Infrastructure Description: Management of the Territory's road and associated assets, stormwater infrastructure, community paths, bridges, traffic signals, streetlights and car parks. This output also includes the provision of asset information services, capital works and development approvals relating to the acceptance of new infrastructure assets.				
	Original Target 2016-17	Actual Result 2016-17	% Variance from Original Target	Explanation of Material Variances (≥ +/− 5%)
TOTAL COST (\$'000)	\$208,254	\$270,002	30%	The Total Cost is higher than the original target due to two main factors: (i) transfer of Constitution Avenue to the National Capital Authority (\$44.8 million) that is treated as an expense in accordance with the Accounting Standards, and (ii) the expensing of completed capital works projects that do not meet the capitalisation requirements (\$11 million).
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$78,124	\$81,626	4%	
Accountability Indicators				
Roads				
a. Annual percentage of territorial roads resurfaced ¹	5%	5%	0%	The below target result is mainly due to 49% of the roads resurfaced in 2016-17 that already had on-road cycle lanes installed, 17% of the roads were not wide enough to be considered for on-road cycle lanes, and 84% out of the remaining roads were tested and determined to be unsuitable for on-road cycle facilities.
b. Annual percentage of municipal roads resurfaced	4%	4%	0%	
c. Percentage of customers satisfied with the public road network ²	> 70%	85%	0%	
d. Percentage of territorial roads in good condition ¹	> 87%	90%	0%	
e. Percentage of bridges that meet SM1600 standard on the B Double Network ³	> 80%	83%	0%	
f. Increase in length (km) of on-road cycle lanes ⁴	25	8	(68%)	
g. Increase in length (km) of community paths ⁵	35	34	(3%)	The above target result can be explained by the proactive approach to resolving issues directly with the applicant, prior to the Development Applications being formally submitted to Environment, Planning and Sustainable Development Directorate.
Asset Acceptance				
h. Responses on Development Applications referred from the Environment, Planning and Sustainable Development Directorate completed within agreed timeframes ⁶	85%	89%	5%	
i. Respond to developers submissions within adopted timeframes ⁷	85%	99%	16%	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.				

Output 2.1: Roads and Infrastructure - Continued

Explanation of Accountability Indicators

- 1 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.
- 2 Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Directorate. The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. The survey was conducted in June and July 2017. A total of 992 telephone surveys were collected for the financial year 2016-2017. Importance and satisfaction results were presented in both percentage satisfaction and 5-point satisfaction scales for comparison.
- 3 SM1600 standard is a theoretical loading designated by Australian Standards 5100 2004 Bridge Design which should ensure that bridges can carry future vehicle loadings.
- 4 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.
- 5 Increases in community paths are measured using the date the 'works as executed' drawings are submitted and registered.
- 6 Agreed timeframe is 15 working days.
- 7 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 Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2017				
Output Class 2: City Services				
Output 2.2: Library 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 2016-17	Actual Result 2016-17	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
TOTAL COST (\$'000)	\$16,474	\$17,175	4%	
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$12,970	\$13,544	4%	
Accountability Indicators				
a. Physical visits to Libraries per capita ¹	5.0	4.9	(2%)	The lower than expected result is due to a decrease in physical loans which we anticipate is from users targeting their reading and to the accessibility of digital information. While digital loans have increased due to the changing patterns of customer usage, overall items borrowed per capita have decreased. Libraries have a strong membership history and continue to attract new members at the rate of approximately 14,500 per year. The above target result is largely attributed to new members attracted by the increased range of e-resources and e-books. Libraries continue to provide lifelong learning opportunities for the community. The community values the programs, resources and services that the libraries offer which has led to a higher than expected customer satisfaction result. Expenditure on library services is stable, however the population has increased, affecting the per capita outcome. This indicator includes physical items only. The below target result is due to less physical items purchased as opposed to increased customer demand on digital collection items. Libraries continue to respond to customer trends towards digital resources. The number of items added to the Heritage Library collection is dependent on donations from the community and the rate of donations are variable and unpredictable.
b. Items borrowed per capita ^{1,4}	7.5	6.7	(11%)	
c. Percentage of population who are registered library members ²	62%	65%	5%	
d. Customer satisfaction with library services ³	90%	95%	6%	
e. Direct cost of public library services per capita ¹	\$35.50	\$32.30	(9%)	
f. Percentage of library collection purchased in previous 5 years	60%	54%	(10%)	
g. Number of ACT publications or collections added to the heritage collection	12,000	15,231	27%	
The above Statement of Performance should be read in conjunction with the accompanying notes.				

Explanation of Accountability Indicators

- 2016-17 target is based on an ACT population of 395,000.
- 2016-17 target is based on an ACT population of 395,000 with 62 per cent of the population representing approximately 244,900 library members. Registered library members include people from the ACT and the surrounding NSW region.
- Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Directorate. The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, waste collection, parks and open spaces, and public transport. The survey was conducted in June and July 2017. A total of 992 telephone surveys were collected for the financial year 2016-2017. Importance and satisfaction results were presented in both percentage satisfaction and 5-point satisfaction scales for comparison. The survey includes public libraries only and does not include the Virtual and Heritage Libraries.
- 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 Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2017

Output Class 2: City Services
Output 2.3: 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 2016-17	Actual Result 2016-17	% Variance from Original Target	Explanation of Material Variances ($\geq \pm 1.5\%$)
TOTAL COST (\$'000)	\$34,561	\$54,570	58%	The Total Cost is higher than the original target mainly due to increase in depreciation for infrastructure assets which relates to the change of useful lives for ACT NoWaste land cells assets (\$12.2 million) and increased cost associated with the demolition of properties under the Loose-Fill Asbestos Insulation Eradication Scheme (\$8.1 million).
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$25,581	\$26,726	4%	
Accountability Indicators				
a. Annual tonnes of waste to landfill per head of population ¹	0.7	1.1	57%	The above target result is mainly due to more than anticipated waste to landfill from the Loose-Fill Asbestos Insulation-Eradication Scheme for the Mr Fluffy houses.
b. Annual total resource recovery tonnage per head of population ¹	1.7	1.2	(29%)	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.
c. Percentage of material recovered from the total waste stream ²	75%	51%	(32%)	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 and a reduction in reported construction and demolition waste streams as a result of a reduced response to the voluntary survey from the recycling industry. Excluding waste from the Loose-Fill Asbestos Insulation-Eradication Scheme the result is 63%.
d. Percentage of customers satisfied with waste collection services ³	> 90%	87%	(100%)	Information or additional comments were not provided by the customer on their level of satisfaction with waste collection services. Additional insight is required to better understand the customer perspective in this instance. To this end, a more detailed survey tool will be designed for use in 2017-18 with a view to gain greater insight and better inform the service offering.
e. Contract cost of landfilling waste per tonne			(0%)	
f. Annual cost of domestic kerbside waste collection services per head of population ⁴	\$16.00 \$19.50	\$15.94 \$19.54	0%	
g. Annual cost of domestic kerbside recycling collection services per head of population ⁴	\$10.50	\$11.06	5%	The higher than expected cost per head of population is due to an increase in the frequency of collection services relating to Multi Unit Developments (MUDs) identified in 2015-16 that was not reflected in the 2016-17 target.
The above Statement of Performance should be read in conjunction with the accompanying notes.				

Explanation of Accountability Indicators

- 1 2016-17 target is based on an ACT population of 395,000 and Queanbeyan population of 41,000.
- 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.
- 3 Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Directorate. The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. The survey was conducted in June 2017 and July 2017. A total of 992 telephone surveys were collected for the financial year 2016-2017. Importance and satisfaction results were presented in both percentage satisfaction and 5-point satisfaction scales for comparison.
- 4 2016-17 target is based on an ACT population of 395,000.

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2017				
Output Class 2: City Services Output 2.4: City Maintenance and Services Description: Planning and management of the Territory's parks and urban open space system including associated community infrastructure, maintaining the look and feel of the city, and managing the urban forest. The Directorate also provides advice, education and compliance services in relation to municipal ranger functions, domestic animal management, plant and animal licensing and significant tree protection. This output also includes Yarralumla Nursery.				
	Original Target 2016-17	Actual Result 2016-17	% Variance from Original Target	Explanation of Material Variances ($\geq \pm 5\%$)
TOTAL COST (\$'000)	\$62,571	\$67,267	8%	The Total Cost is higher than the original target mainly due to loss on disposal of assets (\$1.6 million) and the expensing of completed capital works projects that do not meet the capitalisation requirements (\$1.3 million).
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$48,820	\$50,977	4%	
Accountability Indicators				
a. Customer satisfaction with the management of Town and District Parks ¹	90%	87%	(3%)	The below target result is mainly due to the widespread damage to large number of urban trees caused by the significant storm events in July and October 2016 and January 2017 as well as the removal of trees along Northbourne Avenue.
b. Customer satisfaction with the maintenance of street trees ¹	70%	64%	(9%)	
c. Customer satisfaction with children's play equipment being well maintained ¹	90%	92%	2%	The lower than anticipated result is mainly due to the community's expectations around quicker response times to vandalism and broken facilities at shopping centres. Increase in registered and microchipped dogs has assisted in returning roaming dogs to their homes and consequently reducing the need to impound. Domestic Animal Services has worked with rescue groups and the public to promote the sale of impounded dogs. The success of this work is reflected in these figures. There has been an increase in the number of abandoned vehicles referred from ACT Policing as people are abandoning their cars as they are not worth anything due to low scrap metal prices. Vehicles collected outside of the nine calendar day timeframe are primarily due to contractor delays, logistics and limitations to storage capacity and resourcing. The lower than expected result is because when a member of the public reports an incident they are able to self-nominate it as being a public safety issue. This is a subjective assessment and how a member of the public might define a safety issue is different to how the issue may be formally defined once a City Ranger has made a site visit and then a subsequent assessment. Note that a public safety incident is not confirmed until a Ranger has attended the site and made an assessment.
d. Customer satisfaction with the general look and feel of local suburban shopping centres ¹	75%	68%	(9%)	
e. Number of dogs processed by the Domestic Animal Shelter	1,300	1,171	(10%)	
f. Percentage of saleable stray and abandoned dogs re-homed	90%	95%	6%	
g. Remove abandoned vehicles on unleased land within nine calendar days ²	100%	93%	(7%)	
h. Respond to complaints of public safety issues within 2 days ³	100%	74%	(26%)	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.
i. Response and collection of 'sharps' on unleased land within 4 hours	100%	100%	0%	
Yarralumla Nursery j. Plant spoilage within industry standard ⁴	< 10%	5%	0%	
The above Statement of Performance should be read in conjunction with the accompanying notes.				

Output 2.4: City Maintenance and Services - Continued

Explanation of Accountability Indicators

- 1 Customer satisfaction is measured from responses to ongoing customer surveys conducted by Market Attitude Research Services. In the financial year 2016-17, these include random telephone surveys supported by online or postal delivery of questionnaires to 1,200 Canberra households.
- 2 Commences from date of notification.
- 3 Issues include line of sight, overhanging foliage, obstructions on nature strips and signs that pose an immediate safety hazard.
- 4 'Plant spoilage' refers to plants that have been physically disposed of due to substandard quality or that have died during the growing process.

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2017				
Output Class 2: City Services				
Output 2.5: 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 2016-17	Actual Result 2016-17	% Variance from Original Target (12%)	Explanation of Material Variances (≥ ± 5%)
TOTAL COST (\$'000)	\$15,929	\$14,008		The Total Cost is lower than the original target mainly due to a decline in volumes in the Accommodation and Health sectors.
Accountability Indicators				
a. Total tonnes of laundry delivered	7,312	6,777	(7%)	The lower than expected result is largely due to a decline in reusable theatre linen sales across the public and private health sectors and the loss of an accommodation sector contract in January 2017.
b. 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 Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

ACTION
Statement of Performance
For the Year Ended 30 June 2017

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with ACTION's records and fairly reflects the service performance of ACTION for the financial year ended 30 June 2017 and also fairly reflects the judgements exercised in preparing it.



Emma Thomas
Director-General
Transport Canberra and City Services Directorate
11 September 2017

ACTION Statement of Performance For the Year Ended 30 June 2017				
Output Class 1: Bus Operations Output 1.1: Bus Operations 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, flexible bus services and a bus charter service.				
	Original Target 2016-17 \$151,015 \$93,834	Actual Result 2016-17 \$155,550 \$99,134	% Variance from Original Target 3% 6%	Explanation of Material Variances (≥ ±1-5%)
TOTAL COST (\$'000)				
CONTROLLED RECURRENT PAYMENTS (\$'000)				The Controlled Recurrent Payments is higher than the original target due to the transfer of the special needs transport (SNT) function from the Education Directorate on 1 July 2016.
Accountability Indicators				
Bus Operations				
a. Customer satisfaction with ACTION services as assessed by passenger survey ¹	85%	87%	2%	A long term business strategy remained in draft form as at 30 June 2017 and is subject to future consideration and approval by relevant stakeholders. An updated fleet strategy remained in draft as at 30 June 2017 and is subject to future consideration and approval by relevant stakeholders.
b. Deliver an updated, long term business strategy and report on business and organisational reform progress	1	0	(100%)	
c. Deliver an updated fleet strategy	1	0	(100%)	
d. Percentage of in service fleet fully compliant with standards under the <i>Disability Discrimination Act 1992</i> ²	76%	78%	3%	The below target result is in part due to: (i) variances in the timing intervals within the route, and (ii) increased road works throughout the ACT during the measurement period.
e. Percent of in service fleet Euro 5 or better emission standard compliant ³	54%	56%	4%	
f. Service reliability – percentage of all scheduled services which operated to completion	99.5%	99.5%	0%	
g. Percentage of services operating on scheduled time ⁴	80%	73%	(9%)	The delay of delivering of the electric buses is due to termination of the original contract. The trial is due to commence early in 2017-18.
h. Total network operating cost per network kilometre ⁵	\$ 5.45	\$ 5.53	1%	
i. Total network operating cost per passenger boarding ^{5,6}	\$ 7.92	\$ 8.00	1%	
j. Fare box recovery as a percentage of total network operating costs	16.4%	15.8%	(4%)	
k. ACTION passenger boardings ⁶	18,100,000	18,295,834	1%	
l. Undertake a trial of electric buses	1	0	(100%)	

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

Explanation of Accountability Indicators

- Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Transport Canberra and City Services Directorate (the Directorate). The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces and public transport. A total of 992 telephone surveys were collected for the financial year 2016-2017. Importance and satisfaction results were presented in both percentage satisfaction and 5-point satisfaction scales for comparison.
- The *Disability Discrimination Act 1992* (the Act) details the accessibility specifications of a bus required to achieve compliance. The Act requires 55% compliance at 30 June 2017 with full compliance by 2022. The target reflects increasing compliance as a result of the bus fleet replacement program.
- Euro emission standards define the acceptable limits for exhaust emissions of vehicles.
- 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.
- Network operating costs measure costs directly attributable to the operation of ACTION's network route and school services. It excludes costs associated with the operation of special needs transport, flexible bus services and bus charter services. Network kilometres relates to the kilometres travelled by the fleet in servicing the express, school and regular route services. It excludes kilometres travelled on charter, special needs transport and flexible bus services.
- 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 Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

SECTION J

SECTION J -
PUBLIC LAND
MANAGEMENT
PLANS

J – PUBLIC LAND MANAGEMENT PLANS

No new public land management plans were introduced by City Presentation in 2016-17. The current list of plans is as follows:

TABLE 21: TCCS PUBLIC MANAGEMENT PLANS AS AT 30 JUNE 2017

Title of the public land management plan	Status	Year of commencement	Online location of public land management plan
Plans of Management under the Planning and Development Act 2007			
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





APPENDICES

APPENDIX 1: CONTRACTS REGISTER TABLE

TABLE 22: CONTRACTS REGISTER TABLE

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Utilities Project Manager	single select	consultancy	Australian Utility Solutions Pty Ltd	\$52,800.00	08-Nov-16	08-Feb-17	TCCS	Yes	Yes
Transport Canberra Light Rail - Surveillance Officer	public	consultancy	Smart Consultancy Services Pty Limited	\$186,334.59	06-Dec-16	01-Jul-17	TCCS	No	No
Project Director - Canberra Light Rail	public	consultancy	JBS Consult	\$739,950.00	03-Jan-17	01-Apr-18	TCCS	Yes	No
Provision of Site Services and Landfill Operations at the Mugga Lane Resource Management Centre	public	services (non-consultancy)	REMONDIS Australia Pty Ltd	\$11,610,000.00	01-Jul-16	30-Jun-19	TCCS	No	No
Bus Destination Signs for ACTION Buses	quotation	goods	Hanover Displays Pty Ltd	\$197,472.00	11-Jul-16	16-Jan-17	TCCS	No	No
Engineering Consultant Services On Road Cycling Review 2016 2017 Resurfacing Program	public	works	Cardno (NSW/ACT) Pty Ltd	\$39,961.00	21-Jul-16	31-Aug-16	TCCS	No	No
Local Area Traffic Management (LATM) study on Tillyard Drive	select	consultancy	AECOM Australia	\$133,100.00	22-Aug-16	22-Aug-17	TCCS	No	No
Aikman Drive Duplication Ginninderra Drive to Emu Bank	public	works	BMD Constructions Pty Ltd	\$4,869,994.45	05-Sep-16	31-Jul-18	TCCS	No	No
Ashley Drive Upgrade Stage 2 Construction	public	works	BMD Constructions Pty Ltd	\$15,327,307.93	06-Sep-16	07-Aug-18	TCCS	No	No
Provision of Portable Electronic Roadside Signs	public	goods	Data Signs PTY LTD	\$294,800.00	23-Sep-16	01-Oct-17	TCCS	No	No
Supply and Delivery of Commercial, Health and Storage Trolleys for Capital Linen Service	public	goods	SITECRAFT PTY LTD	\$450,000.00	24-Nov-16	24-Nov-21	TCCS	No	No
Plant and Equipment Hire Panel 2016 / 2019	public	works			07-Dec-16	30-Nov-19	TCCS	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Plant and Equipment Hire Panel 2016 / 2019	public	works	Pipseen CCTV Pipeline Testing	\$0.00	07-Dec-16	30-Nov-19	TCCS	Yes	No
Plant and Equipment Hire Panel 2016 / 2019	public	works	Civil Werx PTY LTD	\$157,617.57	07-Dec-16	30-Nov-19	TCCS	Yes	No
Plant and Equipment Hire Panel 2016 / 2019	public	works	Dale & Hitchcock Civil Engineering & Landscaping	\$0.00	12-Dec-16	30-Nov-19	TCCS	Yes	No
Plant and Equipment Hire Panel 2016 / 2019	public	works	Rollers Australia Pty Ltd	\$0.00	14-Dec-16	30-Nov-19	TCCS	Yes	No
Plant and Equipment Hire Panel 2016 / 2019	public	works	Brindabella Contractors Pty Ltd	\$0.00	14-Dec-16	30-Nov-19	TCCS	Yes	No
Plant and Equipment Hire Panel 2016 / 2019	public	works	Porter Plant	\$0.00	19-Dec-16	30-Nov-19	TCCS	Yes	No
Plant and Equipment Hire Panel 2016 / 2019	public	works	Boss Haulage & Excavations PTY LTD	\$0.00	21-Dec-16	30-Nov-19	TCCS	Yes	No
Playgrounds Natural Play Spaces Telopea Park	public	works	Able Landscaping Pty Ltd	\$99,173.39	22-May-17	26-Jun-18	TCCS	No	No
Events Terrace Precinct - Construction	public	works	Able Landscaping Pty Ltd	\$1,213,229.71	01-Jul-16	04-Nov-17	TCCS	Yes	No
Provision of Open Panel of Tree Surgery Plant Equipment and Operators	public	services (non-consultancy)	Landscape Direct	\$0.00	05-Jul-16	30-Jun-21	TCCS	Yes	No
Provision of Open Panel of Tree Surgery Plant Equipment and Operators	public	services (non-consultancy)	canscape	\$0.00	05-Jul-16	30-Jun-21	TCCS	Yes	No
Mugga Lane Resource Management Centre Detailed Management Plans	single select	consultancy	GHD Pty Ltd	\$273,565.60	18-Jul-16	14-Apr-17	TCCS	No	Yes

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Supply and Construct Oaks Estate Toilet	public	works	Cercol Construction Services Pty Ltd	\$96,103.04	19-Jul-16	31-Oct-17	TCCS	Yes	No
Provision of Open Panel of Tree Surgery Plant Equipment and Operators	public	services (non-consultancy)	SAPPHIRE COAST TREE SERVICE	\$0.00	22-Jul-16	30-Jun-21	TCCS	Yes	No
Mugga II Quarry Electrical and Communications Work	public	works	FS Solutions (ACT) Pty Ltd	\$546,101.17	25-Jul-16	28-Nov-17	TCCS	Yes	No
Provision of Open Panel of Tree Surgery Plant Equipment and Operators	public	services (non-consultancy)	BURGESS HORTICULTURAL SERVICES (BURHOR)	\$0.00	25-Jul-16	30-Jun-21	TCCS	Yes	No
Mugga Lane RMC Sewer Replacement	public	works	Acclaim Contractors Pty Ltd	\$253,199.93	28-Jul-16	22-Sep-17	TCCS	Yes	No
Bus Stop Upgrades - DDA Compliance - Package 29	public	works	Henness Concreting Contractors	\$134,686.85	01-Aug-16	30-Sep-17	TCCS	Yes	No
Acton Tunnel Restoration	public	works	Complex Civil	\$614,260.86	04-Aug-16	13-Oct-17	TCCS	Yes	No
Provision of Traffic Signal Maintenance Services	public	works	Ecowise Services	\$8,000,000.00	08-Aug-16	08-Aug-19	TCCS	No	No
Reseal Site Management Services 2016 - 2021	public	consultancy	Calibre Consulting (ACT) Pty Ltd	\$1,661,200.00	09-Aug-16	09-Aug-21	TCCS	No	No
Sullivans Creek Cycle Path Upgrade	public	works	Cord Civil Pty Ltd	\$600,348.17	10-Aug-16	15-Nov-17	TCCS	Yes	No
West Belconnen DWDA Stage 8 Cell Construction	public	works	Goldsmith Civil and Environmental	\$153,317.45	16-Aug-16	13-Sep-17	TCCS	Yes	No
TCCS Audit Committee Chair	single select	services (non-consultancy)	BELLEWARRA INVESTMENTS PTY LIMITED	\$34,000.00	17-Aug-16	17-Aug-18	TCCS	Yes	Yes

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
TCCS Audit Committee Member-1	single select	services (non-consultancy)	ROEX MANAGEMENT PTY LTD	\$33,000.00	17-Aug-16	17-Aug-18	TCCS	Yes	Yes
TCCS Audit Committee Member-2	single select	services (non-consultancy)	KCM Associates Pty Ltd	\$33,000.00	17-Aug-16	17-Aug-18	TCCS	Yes	Yes
TCCS Audit Committee Member-3	single select	services (non-consultancy)	Cathi Moore	\$33,000.00	17-Aug-16	17-Aug-18	TCCS	Yes	Yes
12 Month Trial of Three Electric Buses	public	goods	Avass Pty Ltd	\$702,460.00	29-Aug-16	28-Nov-17	TCCS	No	No
Bridge Strengthening Works for Bridges 3161	public	works	Complex Civil	\$726,852.41	01-Sep-16	29-Dec-17	TCCS	Yes	No
Dickson Bus Station Construction	public	works	Cord Civil Pty Ltd	\$3,954,703.00	05-Sep-16	13-Jul-18	TCCS	Yes	No
Principal Authorised Person (PAP) Services for Cotter Road stage 2 Construction and Shared Path	public	consultancy	AECOM Australia	\$1,335,828.00	08-Sep-16	10-Oct-18	TCCS	No	No
Aikman Drive Duplication: PAP and Site Supervision Consultancy	public	consultancy	AECOM Australia	\$535,459.10	08-Sep-16	31-Jul-17	TCCS	No	No
Design to the Extent Specified and Construction of Cotter Road Stage 2 Duplication	public	works	Huon Contractors Pty Ltd	\$18,246,235.00	08-Sep-16	10-Oct-18	TCCS	No	No
Ashley Drive Stage 2 Duplication - Principal Authorised Person (PAP) Consultancy Services	public	consultancy	Professional Engineering Service	\$932,294.43	08-Sep-16	08-Mar-19	TCCS	No	No
Oaks Estate River Corridor Heritage Walk Improvement	public	works	Makin Trax	\$47,630.00	08-Sep-16	21-Oct-17	TCCS	Yes	No
WHS Review and Improvement	quotation	consultancy	Safety Design and Risk Solutions	\$33,858.00	09-Sep-16	16-Dec-16	TCCS	Yes	No
Rural Road Slashing Services	public	services (non-consultancy)	Landscape Direct	\$1,300,000.00	20-Sep-16	16-Sep-19	TCCS	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Fire Fule Reduction Slashing	public	services (non-consultancy)	Programmed Property Services	\$1,800,000.00	20-Sep-16	16-Sep-19	TCCS	No	No
Traffic Investigation and Design Documentation for Minor New Works	quotation	consultancy	RD Gossip Pty Ltd	\$200,000.00	30-Sep-16	30-Jun-18	TCCS	Yes	No
Cycle Training Facilities: Belconnen and Tuggeranong	public	works	Canberra United Landscapers	\$549,888.90	04-Oct-16	23-Feb-18	TCCS	Yes	No
Asphalt Supply Panel 2016-2019	public	works	Downer EDI Works PTY LTD	\$0.00	05-Oct-16	30-Sep-19	TCCS	Yes	No
Thin Open Graded Asphalt Surfacing (TOGAS) 2016 - 2017	public	works	Patches Asphalt	\$664,517.61	18-Oct-16	06-Feb-18	TCCS	Yes	No
Nudurr Drive Block 789 (Further Environmental Assessments)	public	consultancy	WSP	\$76,499.50	25-Oct-16	25-Oct-17	TCCS	No	No
Intervention Physiotherapy Services	quotation	services (non-consultancy)	The Trustee for THE HOLLIS FAMILY SETTLEMENT TRUST	\$200,000.00	31-Oct-16	20-Nov-19	TCCS	Yes	No
Asphalt Supply Panel 2016-2019	public	works	Boral Asphalt	\$0.00	31-Oct-16	30-Sep-19	TCCS	No	No
Mugga Lane RMC Fencing	public	works	Northern Fencing Specialist Pty Ltd	\$142,804.20	01-Nov-16	19-Dec-17	TCCS	Yes	No
Bridge Inspection Program 2016-2019	public	consultancy	SMEC Australia	\$374,187.00	02-Nov-16	01-Nov-19	TCCS	No	No
School Student Special Needs Transport Program	public	community-based services	Keirs Group of Companies Pty Ltd	\$14,162,661.68	04-Nov-16	31-Dec-17	TCCS	No	No
KPMG Enterprise Agreement Contract-DGBR16-271-2	single select	consultancy	KPMG	\$307,450.00	04-Nov-16	25-Nov-16	TCCS	No	Yes
Mawson Car Park Maintenance	public	works	Pyramid Corporation PL	\$62,301.80	08-Nov-16	20-Dec-17	TCCS	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Community Paths Capital Upgrade Program 2016/2017 Design & Superintendence	public	consultancy	RD Gossip Pty Ltd	\$83,130.00	08-Nov-16	30-Jul-18	TCCS	Yes	No
ACTION Buses Tow Truck Tee lift Upgrade	single select	goods	The trustee for The HiTech Trust	\$28,160.00	09-Nov-16	18-Apr-18	TCCS	No	Yes
DDA Bus Stops Package 30	public	works	Kuna Contractors Pty Ltd	\$149,100.00	10-Nov-16	12-Jan-18	TCCS	Yes	No
Design and Superintendence Services for Boboyan and Smiths Road Upgrades	public	consultancy	GHD Pty Ltd	\$169,379.32	15-Nov-16	15-Nov-18	TCCS	No	No
Belconnen Bus Depot Workshop Bay 1 Evaporative cooling	public	works	Control & Electric Pty Ltd	\$180,961.00	15-Nov-16	23-Jan-18	TCCS	Yes	No
Community Paths Capital Upgrade Program 2016/17, Design - Package C	select	consultancy	Opus International Consultants (Australia) Pty Ltd	\$12,741.00	15-Nov-16	28-Jul-17	TCCS	No	No
Woden Town Centre Pedestrian and Cyclist Improvements Easy Street Minor Works	public	works	CB Excavations Pty Ltd	\$268,324.80	22-Nov-16	14-Feb-18	TCCS	Yes	No
Safety Improvements and Energy Efficient Lighting Program Design and Superintendence Services	public	consultancy	Northrop Consulting Engineers Pty Ltd	\$88,798.00	25-Nov-16	28-Jul-18	TCCS	No	No
Woolshed Creek Fossil Bed Access Path	public	works	Simeonov Civil Engineering Pty Ltd	\$155,433.00	30-Nov-16	25-Jan-18	TCCS	No	No
Bridge 5188 Railing Upgrade	public	works	Hawkins Engineering TW Pty Ltd	\$130,160.50	07-Dec-16	27-Feb-18	TCCS	Yes	No
Community Paths Capital Upgrade Program 2016/2017 Package A2 Construction	public	works	Xmplar building solutions pty ltd.	\$269,765.21	08-Dec-16	04-May-18	TCCS	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Community Paths Capital Upgrade Program 2016/2017 Package A1 Construction	public	works	Butterfly Constructions Pty Ltd	\$156,556.70	08-Dec-16	04-May-18	TCCS	Yes	No
Majura Parkway Construction Financial Analysis	public	consultancy	Opus International Consultants (Australia) Pty Ltd	\$109,818.50	09-Dec-16	31-Jul-17	TCCS	No	No
Consultancy Services for Reviewing Transport Canberra Policies and Procedures	quotation	consultancy	Protiviti Pty Ltd	\$0.00	09-Dec-16	30-Jun-17	TCCS	No	No
Supply, Delivery and Maintenance of Green Waste Mobile Garbage Bins (MGBs)	public	goods	Mastec Australia Pty Ltd	\$454,000.00	13-Dec-16	30-Jun-18	TCCS	No	No
Management of Bus Advertising on ACTION Buses	public	services (non-consultancy)	Go Transit Australia	\$0.00	19-Dec-16	01-Jan-20	TCCS	No	No
Plant and Equipment Hire Panel 2016 / 2019	public	works	RSH Group Pty Ltd	\$0.00	19-Dec-16	30-Nov-19	TCCS	Yes	No
Better Roads For Woden Intersection Safety Construction	public	works	Guideline ACT Pty Ltd	\$2,013,155.67	22-Dec-16	19-Apr-18	TCCS	Yes	No
Software Support & Maintenance	single select	services (non-consultancy)	PAN Software Pty Ltd	\$59,000.00	22-Dec-16	22-Dec-17	TCCS	No	Yes
Open Space Furniture Upgrades - 2016-17	public	works	J&M Kennedy	\$57,981.99	03-Jan-17	01-May-18	TCCS	Yes	No
Plant and Equipment Hire Panel 2016 / 2019	public	works	Kennards Hire	\$0.00	11-Jan-17	30-Nov-19	TCCS	No	No
Bus Stop Upgrades DDA Compliance RDG Package 32	public	works	CB Excavations Pty Ltd	\$135,064.00	16-Jan-17	20-Feb-18	TCCS	Yes	No
Malcolm Fraser Name Sign Structures	public	works	Complex Civil	\$81,618.92	16-Jan-17	13-Mar-18	TCCS	Yes	No
Electric Bus Trial Assessment	quotation	consultancy	AECOM Australia	\$142,978.00	23-Jan-17	30-Jun-18	TCCS	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Bridge Bearing Replacement Program 2016/2017 Inspection and Design Services	public	consultancy	SMEC Australia	\$55,050.00	30-Jan-17	17-May-17	TCCS	No	No
Municipal Line-marking Maintenance Program 2016-2017	public	works	Lockton Traffic Solutions	\$143,547.00	30-Jan-17	13-Jul-18	TCCS	Yes	No
Suez Recycling and Waste	quotation	services (non-consultancy)	SUEZ Recycling & Recovery Holdings Pty Ltd	\$85,000.00	31-Jan-17	12-Jan-19	TCCS	No	No
Armoured Cable Replacement 2016/2017	public	works	Affinity Electrical Technologies	\$327,448.55	31-Jan-17	08-Aug-18	TCCS	Yes	No
Playground Rehabilitation Minor Works 2016 /2017	public	works	Pyramid Corporation PL	\$167,134.00	31-Jan-17	28-Mar-18	TCCS	No	No
Managerial Assistance Public Transport Operations	quotation	consultancy	Ngamuru Advisory Pty Ltd	\$146,575.00	31-Jan-17	31-May-17	TCCS	Yes	No
Upgrades Fitness Equipment 2016 /2017	public	works	a_space	\$87,780.00	06-Feb-17	17-May-18	TCCS	Yes	No
Bridge Strengthening 2016 / 2017 Design and Construction Superintendence	public	consultancy	Northrop Consulting Engineers Pty Ltd	\$96,196.00	09-Feb-17	09-Nov-18	TCCS	No	No
Woden Bus Depot Concept Design and Functional Brief Development	quotation	consultancy	SMEC Australia	\$123,117.20	10-Feb-17	30-Jun-17	TCCS	No	No
Stormwater Value Capture Optimisation Assessment	single select	consultancy	Balmoral Group Australia Pty Ltd	\$287,054.00	13-Feb-17	29-Jun-18	TCCS	Yes	Yes
Pialligo Avenue / Scherger Drive Intersection Upgrade	public	works	Complex Civil	\$870,366.94	13-Feb-17	18-Apr-18	TCCS	No	No
Road Safety Measures (RSM) Program Capital Upgrades Program 2016 / 2017	public	works	Simeonov Civil Engineering Pty Ltd	\$339,269.36	14-Feb-17	24-Apr-18	TCCS	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Superintendent Consultancy Services Stormwater Improvement Program 2016/17 Package B Stormwater Upgrade Alivio Tourist Park OConnor	public	consultancy	Calibre Consulting (ACT) Pty Ltd	\$44,090.00	16-Feb-17	16-Jul-18	TCCS	No	No
School Crossing Data Collection	single select	consultancy	Datacol Research	\$84,304.00	20-Feb-17	17-Mar-17	TCCS	Yes	Yes
Inner North Groundwater Investigations	single select	consultancy	Aecom Services Pty Ltd	\$85,816.50	21-Feb-17	30-Jun-17	TCCS	Yes	No
2016 / 2017 Energy Efficiency Lighting Program Drakeford Drive Street	public	works	Affinity Electrical Technologies	\$140,717.50	21-Feb-17	04-Apr-18	TCCS	Yes	No
Design Consultancy for Woden Cemetery Extension on behalf of The ACT Cemeteries Authority	public	consultancy	Calibre Consulting (ACT) Pty Ltd	\$49,406.50	21-Feb-17	04-Aug-17	TCCS	No	No
Mugga Lane Resource Management Centre Leachate Dam Construction	public	works	Dale & Hitchcock Civil Engineering & Landscaping	\$1,134,402.10	23-Feb-17	15-Jun-18	TCCS	Yes	No
Mugga Quarry Haul Road Construction	public	works	Canberra Contractors Pty Ltd	\$960,219.78	24-Feb-17	09-Jun-18	TCCS	Yes	No
Horse Park Drive Duplication (Segments 1,2,4, 5 and 6) Principals Authorised Person (PAP) (GC21) and Contract Administration Services	public	consultancy	AECOM Australia	\$2,947,862.00	28-Feb-17	30-Dec-19	TCCS	No	No
Panel of Suppliers for Urban Tree Removal Services	quotation	services (non-consultancy)	Gold Leaf Tree Services Pty Ltd	\$0.00	28-Feb-17	30-Apr-18	TCCS	No	No
Streetlight Safety Improvements Program 2016 / 2017	public	works	Affinity Electrical Technologies	\$309,904.43	08-Mar-17	11-Apr-18	TCCS	No	No
Horse Park Drive Duplication Segments 2, 4 and 5	public	works	Canberra Contractors Pty Ltd	\$24,180,429.70	08-Mar-17	05-Mar-20	TCCS	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Purchase of Hyatt Customer specific towelling products	quotation	goods	M Cohn & Associates	\$100,000.00	09-Mar-17	08-Mar-18	TCCS	No	No
Stormwater Improvement Program 2016 / 2017 Package A GPT Retrofit Lyneham Wetland	public	works	Complex Civil	\$67,254.00	10-Mar-17	02-Jun-18	TCCS	No	No
Stormwater Improvement Program 2016 / 2017 Package C Stormwater Augmentation Tuggeranong Archery Club Greenway	public	works	Complex Civil	\$98,070.52	10-Mar-17	21-May-18	TCCS	No	No
Stormwater Improvement Program 2016 / 2017 Package B Stormwater Upgrade Alivio Tourist Park OConnor	public	works	Dale & Hitchcock Civil Engineering & Landscaping	\$506,919.02	10-Mar-17	30-Jun-18	TCCS	Yes	No
Bridge Painting Program 2016 - 2017	public	works	FM Projects Australia Pty Ltd	\$179,588.20	15-Mar-17	12-May-18	TCCS	No	No
Group Centre Package Shopping Centre Upgrade CHARNWOOD	public	works	Spaseski and Associates Pty Ltd	\$198,000.00	17-Mar-17	19-May-18	TCCS	Yes	No
Better Public Transport for Tuggeranong Park and Ride Facility for Wanniasa	public	works	Cord Civil Pty Ltd	\$1,455,424.33	20-Mar-17	10-Jul-18	TCCS	Yes	No
Playgrounds- Natural Play Spaces	select	works	Brindabella Contractors Pty Ltd	\$95,656.00	22-Mar-17	11-May-18	TCCS	Yes	No
Black Spot 2016 / 2017 Package 1 Construction	public	works	Bost Civil Pty Ltd	\$1,078,297.30	22-Mar-17	12-Jun-18	TCCS	No	No
Gross Pollutant Trap Upgrade 2016 / 2017	public	works	Complex Civil	\$190,120.93	22-Mar-17	17-May-18	TCCS	No	No
Collection of Green Waste and Associated Services	public	services (non-consultancy)	Corkhill Bros	\$2,022,526.00	24-Mar-17	30-Jun-18	TCCS	No	No
Provision of Advisory Services to the ACT Government	quotation	consultancy	AKWarren Consulting	\$50,000.00	29-Mar-17	30-Jun-17	TCCS	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Library Services - Materials Handling Process	quotation	consultancy	Henderson Logistics	\$27,020.00	29-Mar-17	19-Sep-17	TCCS	No	No
Recruitment Services for Stage 2 of the Canberra Light Rail Project	public	consultancy	Hudson	\$205,250.00	31-Mar-17	30-Mar-18	TCCS	No	No
Road Batter Stabilisation 2016 / 2017	public	works	Dale & Hitchcock Civil Engineering & Landscaping	\$150,768.75	05-Apr-17	10-May-18	TCCS	Yes	No
Residential Street Improvements 2016 / 2017	public	works	Lockton Traffic Solutions	\$184,968.47	05-Apr-17	17-May-18	TCCS	Yes	No
Valuation of Non-Current Assets TCCS 2016-17	quotation	consultancy	AON Risk Services Australia Limited	\$172,755.00	07-Apr-17	31-Aug-17	TCCS	No	No
Elouera Street Upgrade Stage 1 Design & Superintendence	public	consultancy	AECOM Australia	\$138,450.00	07-Apr-17	30-Jul-17	TCCS	No	No
Superintendent Consultancy Services Stormwater Improvement Program 2016/17 Package A & C	public	consultancy	Cardno (NSW/ACT) Pty Ltd	\$50,090.00	07-Apr-17	18-Jun-18	TCCS	No	No
Playgrounds Four Major Upgrades - Principals Authorised Person	public	consultancy	Xact Project Consultants Pty Ltd	\$49,500.00	10-Apr-17	30-Jun-18	TCCS	Yes	No
Four Major Playground Upgrades	public	works	Able Landscaping Pty Ltd	\$679,198.34	18-Apr-17	31-Jul-17	TCCS	Yes	No
Playgrounds - Natural Play Spaces - Finn Street O'Connor	public	works	Glascott Landscape & Civil Pty Ltd	\$97,197.65	20-Apr-17	26-May-18	TCCS	Yes	No
Group Centre Packages Kambah and Spence Shopping Centre Upgrade 2016 / 2017	public	works	Pyramid Corporation PL	\$409,387.00	20-Apr-17	30-Jul-18	TCCS	No	No
Playground Package Shade Structures Civic Skate Park	public	works	Sheds Shade & Turf	\$66,040.70	20-Apr-17	30-May-18	TCCS	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Package A - Coombs Pond A - Civil and Landscape Restoration Works	public	works	Simeonov Civil Engineering Pty Ltd	\$182,968.50	21-Apr-17	23-Jun-18	TCCS	Yes	No
Package B - Coombs Pond B - Civil and Landscape Restoration Works	public	works	Simeonov Civil Engineering Pty Ltd	\$224,911.50	21-Apr-17	23-May-18	TCCS	Yes	No
Stormwater Improvement Program 2016/17 - Package E Flood Mitigation Project - Section 47, Block 21, Mawson	public	works	Acclaim Contractors Pty Ltd	\$300,313.20	26-Apr-17	05-Jul-18	TCCS	Yes	No
Paver Maintenance Works Emu Bank Belconnen	public	works	Pyramid Corporation Pty Ltd	\$178,640.00	27-Apr-17	28-Sep-18	TCCS	Yes	No
Coombs Ponds - Maintenance Access Platform for Pond A and Pond B and miscellaneous works - Package C	public	works	Dale & Hitchcock Civil Engineering & Landscaping	\$269,610.00	01-May-17	23-Jun-18	TCCS	Yes	No
Provision of Commercial Advisory Services for Stage 2 of the Canberra Light Rail Project	public	consultancy	EY	\$874,500.00	08-May-17	07-May-18	TCCS	No	No
Technical Design Advisory Services - Light Rail Stage 2	public	consultancy	Arup Pty Limited	\$5,842,360.70	08-May-17	21-May-18	TCCS	No	No
Oaks Estate Landscaping Upgrade	public	works	Spaseski and Associates Pty Ltd	\$41,211.50	08-May-17	05-Jan-18	TCCS	Yes	No
Black Spot 2016 /2017: Package 2 Construction	public	works	Simeonov Civil Engineering Pty Ltd	\$1,189,199.00	09-May-17	29-Aug-18	TCCS	Yes	No
Provision of Dry-fold processing System	select	goods	Jensen Laundry System	\$1,283,181.90	11-May-17	10-May-27	TCCS	No	Yes
Tuggeranong Anketell Street (North) Upgrade Stage 3	public	works	RAM Constructions	\$461,860.30	11-May-17	14-Aug-18	TCCS	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Tuggeranong Skate Park Upgrade	public	works	Revolution Action Sports Concepts Pty Ltd	\$255,212.26	15-May-17	31-Jul-18	TCCS	Yes	No
Commercial Route Network Improvements Intersection Swept Path Upgrades	public	consultancy	RD Gossip Pty Ltd	\$108,300.00	16-May-17	30-Mar-19	TCCS	No	No
ACT Streetlights Project (Energy Efficiency and Smart City Upgrades)	public	consultancy	Lend Lease Services Pty Ltd	\$250,000.00	17-May-17	31-Jul-17	TCCS	No	No
Bridge Strengthening 2016/17: Design and Construction Superintendence - Package 2	public	consultancy	SMEC Australia	\$155,240.00	18-May-17	30-Mar-19	TCCS	No	No
Provision of Strategic Transport Modelling and Public Transport Integration Advisory Services for Stage 2 of the Canberra Light Rail Project	public	consultancy	Veitch Lister Consulting Pty Ltd	\$576,642.00	19-May-17	18-May-18	TCCS	Yes	No
ACT Feasibility Study- "Waste Strategy Roadmap"	single select	consultancy	MRA Consulting Group	\$96,723.00	22-May-17	28-Jul-17	TCCS	No	Yes
Flooring Repairs / Replacement for ACTION Buses	quotation	services (non-consultancy)	Wales Bus & Body Repairs	\$200,000.00	23-May-17	31-Dec-18	TCCS	Yes	No
Kingston Group Centre Pedestrian and Cyclist Accessibility Improvements	public	works	Cord Civil Pty Ltd	\$809,615.44	23-May-17	14-Aug-18	TCCS	No	No
Sutton Road Stage 2 - Drainage and Ancillary Works	public	works	Cord Civil Pty Ltd	\$3,142,305.83	30-May-17	11-Dec-18	TCCS	No	No
Majura Block 710 Access Crossing	select	works	CB Excavations Pty Ltd	\$182,600.02	01-Jun-17	27-Jul-18	TCCS	Yes	No
MyWay Smartcard Reload Services	public	services (non-consultancy)	DPD Stores Pty Ltd	\$0.00	05-Jun-17	30-Jun-18	TCCS	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Communications and Engagement Advisory Services for Stage 2 of the Canberra Light Rail Project	public	consultancy	Elton Consulting	\$53,823.00	06-Jun-17	05-Jun-18	TCCS	Yes	No
Playground Package Shade Structures	public	works	RAM Constructions	\$668,298.40	07-Jun-17	30-Sep-17	TCCS	Yes	No
Light Rail Intersection Signalling Advisory Services	single select	consultancy	DT Traffic Systems	\$176,000.00	08-Jun-17	07-Jun-18	TCCS	Yes	Yes
Provision of Cost Estimation Advisory Services for Stage 2 of the Canberra Light Rail Project	public	consultancy	Turner & Townsend Pty Ltd	\$334,857.36	08-Jun-17	07-Jun-18	TCCS	No	No
ACT Streetlights Project (Energy Efficiency and Smart City Upgrades)	public	consultancy	Electrix Pty Ltd	\$250,000.00	08-Jun-17	31-Jul-17	TCCS	No	No
Bridge Strengthening works for B5204 & 5213	public	works	Complex Civil	\$472,423.87	14-Jun-17	26-Jul-18	TCCS	No	No
Stormwater Improvement Program 2016 / 2017 Package D Construction CDS GPT works beside Olive Pink Crescent Banks ACT	public	works	Complex Civil	\$85,666.68	20-Jun-17	19-Sep-18	TCCS	No	No
Stormwater Improvement Program 2016/17 - Package D Design, Manufacture and Delivery of a single CDS GPT unit For Package D GPT works beside Olive Pink Crescent Banks ACT	public	goods	Rocla Pipeline Products	\$51,836.40	20-Jun-17	05-Sep-17	TCCS	Yes	No
City Garden Improvements	quotation	works	Spaseski and Associates Pty Ltd	\$54,560.00	22-Jun-17	31-Jul-18	TCCS	Yes	No
Maintenance of Urban Park Irrigation	public	community-based services	Brindabella Water Pty Ltd	\$1,740,000.00	26-Jun-17	26-Jun-20	TCCS	Yes	No
Learning Management System and Support Services Agreement	select	services (non-consultancy)	Veritec Pty Ltd	\$194,588.00	28-Jun-17	27-Jun-20	TCCS	Yes	Yes

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Matilda Street Separated Cycleway Construction	public	works	CB Excavations Pty Ltd	\$530,608.55	29-Jun-17	04-Oct-18	TCCS	No	No
CONSULTANCY TO CONDUCT A PUBLIC SURVEY ON SERVICES PROVIDED BY TERRITORY AND MUNICIPAL SERVICES DIRECTORATE (TAMS)	select	consultancy	Piazza Research Pty Ltd	\$135,300.00	30-Jun-17	31-Dec-17	TCCS	Yes	No
			Ngamuru Advisory Pty Ltd	\$73,287.50	03-Jul-17	02-Sep-17	TCCS	Yes	Yes
Alternate Energy Bus Trial	Open Tender	Services	Volvo Group Australia Pty Ltd	\$106,260.00	18-Jul-17	18-Jul-18	TCCS	No	No
MyWay Smartcard Reload Services	Open Tender	Services	ANU Union Inc	\$40,000.00	01-Jul-16	30-Jun-18	TCCS	No	No
MyWay Smartcard Reload Services	Open Tender	Services	Supanews (WH Smith)	\$150,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
Provision of Bus Transport Services for Rural School Students	RFQ-Panel	Services	Deanes Bus Lines Pty Limited	\$ -	10-Jun-14	10-Jun-18	TCCS	No	No
MyWay Smartcard Reload Services	Open Tender	Services	Million Dollar Kiosk (N Huynh.B Lam)	\$10,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	NewsXpress Gifted and More (Damruoy Trust)	\$30,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Newspower Lanyon News (DPD Stores Unit Trust)	\$24,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Chisholm Newsagency (Lin Shen)	\$9,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Gungahlin Post Shop (S & P Halliday)	\$12,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
MyWay Smartcard Reload Services	Open Tender	Services	UCU Limited	\$36,000.00	01-Jul-16	30-Jun-18	TCCS	No	No
MyWay Smartcard Reload Services	Open Tender	Services	The Barrow (Yadav International)	\$66,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Supa 24 Convenience Pty Ltd	\$630,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Dickson Newsagency (Deema Pty Ltd)	\$48,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Kambah Newsagency	\$18,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
Flooring Repairs/Replacement for ACTION Buses	RFQ	Goods and Services	Wales Bus & Body Repairs	\$200,000.00	29-May-17	31-Dec-18	TCCS	No	No
MyWay Smartcard Reload Services	Open Tender	Services	Kippax Fair Newsagency	\$9,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Newsxpress Belconnen (Rognar Pty Ltd)	\$20,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Jamison Newsagency (Shaboyah Pty Ltd)	\$6,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Hawker Place Cards and Gifts	\$9,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Coolman Court Newsagency (100MillionPages)	\$30,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Southlands Newsagency (Dirveena Pty Ltd)	\$24,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	CIT Student Association	\$18,000.00	01-Jul-16	30-Jun-18	TCCS	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
MyWay Smartcard Reload Services	Open Tender	Services	Canberra House Newsagency (Boon Pin)	\$48,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Lucky Lotto (Byetan Pty Ltd)	\$42,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Newsfront Newsagency (MW< Pty Ltd)	\$56,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Top Newsagency (Golf Investments)	\$61,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Ainslie Newsagency (Pnkats Group)	\$15,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Calwell Newsagency (GC&RA Boyd)	\$15,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
Electrical Safety Testing at ACTION Sites	RFQ	Services	DLH Test & Tag Pty Ltd	\$28,665.00	12-Jun-13	11-Jun-18	TCCS	No	No
MyWay Smartcard Reload Services	Open Tender	Services	Manuka Newsagency (Teillall Pty)	\$24,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Nextra (WZX Pty Ltd)	\$69,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Charnwood Newsagency (S.L Dowling Services)	\$10,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
MyWay Smartcard Reload Services	Open Tender	Services	Kingston Newsagency	\$27,000.00	01-Jul-16	30-Jun-18	TCCS	Yes	No
Cash Collection Services	RFQ-Panel	Services	Prosegur Australia Pty Limited	\$63,731.00	28-Apr-17	25-May-19	TCCS	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
SUPPLY OF 77, Rigid, DDA Compliant, Diesel Powered Buses	Open Tender	Goods	Scania Australia Pty Limited	\$ 36,049,249.58	21-Nov-13	30-Dec-17	TCCS	No	No
Supply of MyWay Cards and the Provision of MyWay Bureau Services	Select Tender	Goods and Services	Monitor WA Pty Ltd	\$100,000.00	12-Apr-17	11-Apr-18	TCCS	No	Yes
Provision of Cleaning Services for ACTION - Public Transport	Open Tender	Services	National Cleaning Services Australia	\$534,629.40	14-Sep-15	14-Sep-17	TCCS	No	No
Intervention Physiotherapy Services	RFQ	Services	Performance Edge Physiotherapy	\$180,000.00	21-Nov-16	20-Nov-19	TCCS	Yes	No
Electric Bus Trial /Assessment	RFQ	Consultancy	AECOM Australia Pty Ltd	\$142,978.00	01-Mar-17	05-Mar-18	TCCS	No	No
Variation of Service Agreement for ACTION Bus Administered Payroll Services	Select Tender	Variation	Aurion Corporation	\$843,000.00	01-Jan-15	31-Dec-17	TCCS	No	Yes
Supply and Delivery of AdBlue to Tuggeranong and Belconnen Bus Depots	RFQ	Goods and Services	Hi-Tec Oils	\$30,000.00	20-Feb-15	19-Feb-18	TCCS	No	No
Management of Bus Advertising on ACTION Buses	Open Tender	Services	Go Transit Media Group Pty Ltd	\$ -	01-Jan-17	31-Dec-19	TCCS	No	No
Maintenance of ACTION Systems	Select Tender	Goods and Services	Downer EDI Engineering Power Pty Ltd	\$6,000,000.00	30-Jul-09	30-Jun-19	TCCS	No	No
Community Transport Coordination Centre Booking System	RFQ	Goods and Services	RouteMatch Software Pty Ltd	\$35,234.00	23-Feb-15	22-Feb-18	TCCS	No	No
Rent on commencement of MOU	Select Tender	Services	ACT Property Group	\$3,000,000.00	03-Apr-13	03-Apr-18	TCCS	No	No
Graphic Design Services	RFQ	Services	With the Grain - Rebecca Schultz	\$75,000.00	01-Oct-15	30-Sep-18	TCCS	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Supply of Tyres and Ancillary Services for the ACTION Bus Fleet	Open Tender	Goods and Services	Bridgestone Australia Ltd	\$3,500,000.00	22-Dec-15	21-Dec-18	TCCS	No	No
Provision of Registered Training Organisation Services to ACTION	RFQ	Services	Into Training Australia Pty Ltd	\$25,000.00	01-Jul-15	30-Jun-18	TCCS	No	No
Woden Bus Depot Concept Design and Functional Brief Development	RFQ	Services	SMEC Australia Pty Ltd	\$123,117.20	08-Feb-17	30-Jun-17	TCCS	No	No
Supply of Uniforms for ACTION Bus Driving and Transport Officer Staff	RFT	Goods and Services	Stewart & Heaton Clothing Co	\$826,423.10	21-Dec-12	31-Jul-17	TCCS	No	No
Specialist Graphic Design Services	RFQ	Goods and Services	Transit Graphics Pty Ltd	\$200,000.00	22-May-17	31-Dec-17	TCCS	No	No
Remix Transport Planning Platform	Select Tender	Services	Remix Software Inc	\$150,000.00	30-Jun-17	30-Jul-18	TCCS	No	No
Provision of Bulk Fuel	RFQ-Panel	Goods and Services	Park Pty Ltd	\$ 11,000,000.00	01-Jul-17	30-Jun-18	TCCS	No	No
Software Support and Maintenance	Select	Services	PAN Software Pty Ltd	\$64,900.00	22-Dec-16	22-Dec-17	TCCS	Y	No
Transport Canberra Light Rail - Surveillance Officer	Select	Consultancy	Smart Consultancy Services Pty Limited	\$186,334.59	06-Dec-16	01-Jul-17	TCCS	Y	No
Utilities Project Manager	Select	Consultancy	Australian Utility Solutions Pty Ltd	\$52,800.00	08-Nov-16	08-Feb-17	TCCS	Y	No
Cost Estimation and Advisory Services - LRS2	Public	Consultancy	Turner & Townsend Pty Ltd	\$334,857.36	08-Jun-17	07-Jun-18	TCCS	N	No
Commercial Advisory Services - LRS2	Public	Consultancy	EY	\$874,500.00	08-May-17	07-May-18	TCCS	N	No
Technical Design Advisory Services - LRS2	Public	Consultancy	Arup	\$5,842,360.70	08-May-17	21-May-18	TCCS	N	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount	Execution Date	Expiry Date	Directorate	Small To Medium Enterprise	Exemption From Quotation
Provision of Strategic Transport Modelling and Public Transport Integration Advisory Services	Public	Services	Veitch Lister Consulting Pty Ltd	\$576,642.00	19-May-17	18-May-18	TCCS	Y	No
Communications and Engagement Advisory Services	Public	Services	Elton Consulting	\$53,823.00	06-Jun-17	05-Jun-18	TCCS	Y	No
Recruitment Services for Stage 2 of the Canberra Light Rail Project	Public	Services	Hudson Global Resources	\$205,250.00	31-Mar-17	30-Mar-18	TCCS	N	No

APPENDIX 2: ANNEXED REPORTS

The following are declared public authorities that are required to provide their annual reports as an annex to the TCCS annual report. The ACT Public Cemeteries Authority is also a declared authority whose report appears in Volume 2.

- > ACT Veterinary Surgeons Board; and
- > Animal Welfare Authority.



Annexure 1 – ACT Veterinary Surgeons Board

The ACT Veterinary Surgeons Board (the Vet Board) was a statutory board established under the *Veterinary Surgeons Act 2015*, and had a broad range of responsibilities including:

- > 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;
- > registration of appropriately qualified persons as veterinary surgeons, including specialists, enabling them to practise veterinary surgery in the ACT;
- > investigating complaints against registered veterinary surgeons or specialists and general monitoring of the conduct of the profession in the ACT;
- > licensing veterinary premises in accord with standards of practice;
- > advising the government, through the Minister for Transport and City Services, 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 Vet Board comprised seven members with four appointed by the Minister for Transport and City Services including the President and the Community Representative. The other three members were 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. The Vet Board membership during the reporting period is tabled below.

TABLE 1: 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	11 August 2016	11 August 2019
Dr Delwyn Fenby	Board Member	14 May 2015	14 May 2019
Ms Eileen Jerga, AM	Community Representative	2 June 2015	1 June 2019

TABLE 2: 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 Vet Board meets on a monthly basis. The Vet Board met on 11 occasions during the year with attendance outlined in the table below.

TABLE 3: BOARD MEMBER ATTENDANCE

Member	Jul	Aug	Sep	Oct	Nov	Jan	Feb	Mar	Apr	May	Jun
John Aspley-Davis	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓
Allen Bryce	A	A	✓	✓	✓	✓	✓	✓	✓	✓	A
Delwyn Fenby	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓
Eloise Koelmeyer	A	✓	✓	✓	✓	✓	✓	A	A	✓	✓
Steven Roberts	✓	A	✓	✓	✓	✓	✓	A	✓	✓	✓
Sarah Webb	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓
Eileen Jerga, AM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Notes:

- > The March meeting was held on 13 April 2017 to discuss pending complaints.
- > The May meeting was held on 2 June 2017 due to the Australasian Veterinary Boards Council (AVBC) annual meeting in Wellington, New Zealand.

The secretariat is provided by TCCS, within the Governance and Business Solutions Division. The secretariat provides a critical function in the day-to-day administration of the Board's affairs.

In 2016-17 the Board commenced a legislative review of the *Veterinary Surgeons Act 2015*, the *Veterinary Surgeons Regulations 2015* and *Veterinary Surgeons Standards Statement 2015* to ensure it operated effectively and provided appropriate guidance in the administration, regulation and maintenance of the veterinary profession in the ACT. The review also aims to investigate options to harmonise the ACT's veterinary legislation, including the definition of veterinary science and practices, with other jurisdictions.

As part of the review of legislation, the Board also commenced work on adopting National Recognition of Veterinary Registration (NRVR). The Board has specifically investigated NRVR legislative processes adopted by our neighbouring jurisdictions, NSW and Victoria, to ensure the ACT has the most effective and harmonised process. The 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 to reduce barriers to movement for veterinary surgeons and premises. NRVR will be adopted by the ACT in the 2017-18 financial year.

As at 30 June 2017, there were 381 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.

TABLE 4: REGISTRANTS BY YEAR

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
272	256	245	310	297	336	381

There were also 43 veterinary premises registered in the ACT. As a result of the review of the ACT veterinary legislation, and particularly the definitions of veterinary premises, the Board waived all registration fees for veterinary premises in the 2016-17 financial year.

The Board expects high standards of professional behaviour from veterinary surgeons in the ACT. This includes maintaining professional standards of practice, professional indemnity insurance and Continuing Professional Development (CPD). CPD is compulsory for registered veterinary surgeons in the ACT and helps to maintain public confidence in the profession as well as assisting veterinary surgeons meet the required standards of practice for the industry. 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 Board received 13 new complaints in the 2016-17 year. Seven were resolved and six remain under active management. The complaints process is thorough and involves independent joint consideration with the Health Services Commissioner within the Human Rights Commission (HRC). It is mandatory for the Board and the HRC to notify each other of complaints received regarding veterinary surgeons. The role of the Board in reviewing complaints is to consider whether standards of veterinary practice have been contravened. The HRC through the complaints process can provide a conciliatory service between the complainant and the veterinary surgeon. This process allows reciprocal management of veterinary complaints that ensures support is available to both complainants and veterinary surgeons going through the process.

The Board is not a Territory Authority for the purposes of the *Financial Management Act 1996*. The Board is self-funded and contributes 50 per cent to TCCS for costs incurred in the provision of the secretariat function. The Board's finances are also managed by TCCS on the Board's behalf and are subject to audit by the ACT Audit Office.

TABLE 5: CASH AT BANK AS AT 30 JUNE 2017

Cash at Bank Balance 1 July 2016 (as per the reported closing cash at bank balance in the 2015-16 Annual Report)	223,061
Less cash deposits received but not transferred to the Veterinary Surgeons Board bank account at the 30 June 2017 balance date	19,932
Cash Inflows 2016-2017	145,032
Cash Outflows 2016-2017	77,146
Cash at Bank Balance 30 June 2017	290,947

The Board continues to maintain its membership of the 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 meets regularly throughout the year with the Annual General Meeting held this year in Wellington, New Zealand, attended by State, Territory and New Zealand Board representatives to discuss issues of national interest to the veterinary profession.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.

Annexure 2 – Animal Welfare Authority

In 2016-17, TCCS was the ACT Government's lead agency for animal welfare and administered the *Animal Welfare Act 1992* (AW Act), which regulates offences such as animal cruelty.

The AW Act has a range of enforcement powers to promote and monitor acceptable standards of care, and protect animals from cruelty or welfare offences.

The Executive Director, City Places and Infrastructure within TCCS was the appointed Animal Welfare Authority for the ACT.

The government continued its service funding agreement with RSPCA ACT to provide animal welfare services including the provision of authorised inspectors under the AW Act.

As at 30 June 2017, four inspectors from the RSPCA, thirteen officers from TCCS and all police officers were appointed as inspectors under the AW Act.

The Animal Welfare Advisory Committee (AWAC) is a statutory committee established under section 109 of the AW Act.

The AWAC met on 10 occasions in 2016-17 and undertook the following activities:

- > advised the Minister on animal welfare matters;
- > progressed the following codes of practice:
 - ACT Code of Practice for the Welfare of Native Wildlife - Rescue, Rehabilitation and Release;
 - Code of Practice for the Care and Welfare of Cats in the ACT;
 - Code of Practice for the Welfare of Small Mammals; and
 - Code of Practice for the Welfare of Horses;
- > collaborated with TCCS on the development of the Animal Welfare and Management Strategy 2017-2022.

Permits, investigations and prosecutions

In 2016-17 the Animal Welfare Authority issued:

- > two circus permits;
- > one licence for the use or breeding of animals for the purpose of research or teaching in the ACT; and
- > one commercial trapping permit.

During 2016-17 2,088 cases of alleged mistreatment of animals were investigated by the RSPCA ACT. There were 21 finalised prosecutions and two finalised appeals under the AW Act, involving 70 charges. This resulted in 10 animal bans, some of which were partial bans. One case was dismissed due to the death of the alleged party.

As at 1 July 2017, there were 22 cases before the courts.

Further information may be obtained from the Governance and Business Solutions Branch by contacting (02) 6205 8479.

GLOSSARY

TERMS, ACRONYMS AND ABBREVIATIONS

ACT	Australian Capital Territory
ACTIA	ACT Insurance Agency
ACTPS	ACT Public Service
APP	Private sector Independent Certifier for the Project
ARIn	Attraction and Retention Incentive
Canberra Metro	The Canberra Metro consortium, the preferred respondent and the Territories private sector partner to deliver the Capital Metro Project
CMTEDD	Chief Minister, Treasury and Economic Development Directorate
DA	Development Application
Directions, the	The Annual Reports (Government Agencies) Notice 2017 or the 2016-17 Annual Report Directions
EAP	Employee Assistance Program
EOI	Expression of Interest
EPSD	Environment, Planning and Sustainable Development Directorate
FTE	Full-time equivalent
HR	Human Resources
ISCA	Infrastructure Sustainability Council of Australia
IR	Infrastructure Rating under the ISCA rating scheme
JACS	Justice and Community Safety Directorate
MLA	Member of the Legislative Assembly
NCA	National Capital Authority
Project Agreement	The Capital Metro Project Agreement between the Canberra Metro consortium and the Territory
Project Board	Capital Metro Project Board
RED	Respect Equity and Diversity
RFP	Request for Proposals
RMP	Resource Management Plan
SERBIR	Senior Executive Responsible for Business Integrity Risk
Stage 1	The first stage of Canberra's Light Rail Network, from Gungahlin to the City
Stage 2	The second stage of Canberra's Light Rail Network, from the City to Woden
TCCS	Transport Canberra and City Services Directorate
WHSR	Work Health and Safety Representative

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