



Treasury

March 2019

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19-04

Policy and Guidelines Paper

**Accounting Policy:
Financial Reporting Code for
NSW General Government Sector Entities**

Preface

The Financial Reporting Code for NSW General Government Sector Entities (the Code) sets out the financial reporting framework for all New South Wales General Government Sector (NSW GGS) entities. The Code provides a model financial reporting framework which promotes consistency across the NSW GGS. It is not mandatory in its entirety and agencies can tailor the model to their individual circumstances. However, financial reports must be prepared in accordance with Australian Accounting Standards (AAS) and other Treasury requirements, including annual *Treasury Circulars on Mandates of options and major policy decisions under AAS*.

This version of the Code applies for financial years ending on or after 30 June 2019.

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

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

This edition of the Code supersedes the previous version, issued as NSW Treasury Policy and Guidelines Paper TPP18-01.

The main changes to the Code are summarised in Appendix 4.

Some Treasury Circulars may be superseded before financial year end. References to Treasury Circulars in this document should be read as references to the replacement Circulars where applicable. Agencies should refer to Treasury's website document library for the latest Circulars and Policy Papers.

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

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March 2019

Note

General inquiries concerning this document should be initially directed to:
Accounting Policy, NSW Treasury; accpol@treasury.nsw.gov.au .

This publication can be accessed from the Treasury's website www.treasury.nsw.gov.au/.

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Executive Summary

1.1. Overview

The Financial Reporting Code for NSW General Government Sector Entities (the Code) provides a framework to promote uniformity across all NSW GGS entities, consistent with the current focus of financial reporting in New South Wales. The Consolidated Financial Statements of New South Wales report on the General Government Sector (GGS) entities and the Total State Sector. Similarly, the NSW Budget Papers focus on the GGS.

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

The Code incorporates the disclosure requirements of Australian Accounting Standards (AAS) applicable to NSW GGS entities. The Code, however, generally does not contemplate a group structure/ consolidation. Therefore, when preparing consolidated financial statements, please refer to the relevant accounting standards to understand the reporting and disclosure requirements.

The references provided are correct at the time of publishing this document, however, some Treasury Circulars may be superseded before financial year end. References to Treasury Circulars in this document should be read as references to the replacement Circulars where applicable. Agencies should refer to the Document and Resources library on the NSW Treasury website for the latest Circulars and Policy Papers www.treasury.nsw.gov.au.

1.2. Reporting Framework

In preparing the annual financial statements, NSW GGS entities must comply with the Public Finance and Audit Act 1983 (PFAA) and Public Finance and Audit Regulation 2015 (Regulation), AAS and mandatory NSW Treasury accounting publications. The Code as a model is no longer mandatory and is not required to be referenced in the basis of preparation.

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

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

The Government Sector Finance Act 2018

The Government Sector Finance Act 2018 (GSF Act) became law in November 2018, and elements of the GSF Act come into force from 1 December 2018. The financial reporting, audit and annual reporting elements of the GSF Act have not yet come into force. For more information, please refer to NSW Treasury's GSF Act website.

1.3. Structure of the Code

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

The Code incorporates key mandatory disclosure requirements of AAS specifically applicable to NSW GGS entities; i.e. requirements applicable to departments and not-for-profit public-sector entities. It is not the intention of the Code to reflect all AAS disclosure requirements (apart from those specifically applicable to NSW GGS entities). Where an Accounting Standard requires a disclosure not covered by the Code, entities must include the disclosure in the notes to the financial statements.

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

Entities may also include additional disclosures in the following instances:

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

The structure of the Code is as follows:

- Financial statements:
 - Statement of comprehensive income
 - Statement of financial position
 - Statement of changes in equity
 - Statement of cash flows
- Accompanying notes:
 - Statement of significant accounting policies
 - Other note disclosures
- Appendices:
 - Definitions
 - Key References
 - Current Treasury Circulars / Policy and Guidelines Papers on Accounting Policy Matters
 - Main changes compared to the previous version of the Code (TPP18-01).

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

Most of the relevant accounting policies from Note 1 Statement of significant accounting policies have been moved into the related disclosure notes. This helps in:

- identifying policies that are not relevant or significant to the financial statements; and
- avoiding repetition where narrative descriptions of balances in the related notes are similar to the accounting policy.

In preparing the accounting policy disclosures, each entity must review its own circumstances, taking into account the requirements in AASB 101 *Presentation of Financial Statements* and AASB 108.

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

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

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

1.4. Application

In preparing the annual financial statements, NSW GGS entities must comply with the PFAA and Regulation, AAS, and other mandatory NSW Treasury accounting publications. The Code as a model is no longer mandatory and is not required to be referenced in the basis of preparation.

The Code is appropriate for all NSW GGS entities that prepare general purpose financial statements in respect of financial years ending on or after 30 June 2019. Special purpose staff agencies should refer to Treasury Circular TC15-07.

This Policy Paper supersedes the previous edition of the Financial Reporting Code for General Government Sector Entities (TPP18-01). The main changes to the Code for 2018-19 relate to the adoption of AASB 9 *Financial Instruments* (AASB 9) and revised AASB 7 *Financial Instruments: Disclosures* (AASB 7R). NSW Treasury mandates the financial information relating to financial instruments should not be restated for the comparative financial year ending 30 June 2018. Hence for the comparative financial year, the accounting standard reference is AASB 139 *Financial Instruments: Recognition and Measurement* and the old AASB 7 *Financial Instruments: Disclosures* (AASB 7). These and other changes are summarised in Appendix 4.

AASB 15 *Revenue from Contracts with Customers* is applicable to Not-for-Profit agencies only from FY 2019-20 but a year earlier (i.e. from FY 2018-19) for For-Profit agencies.

For-Profit agencies should also refer to TC19-04 *Mandates of options and major policy decisions under Australian Accounting Standards* for Treasury mandates relating to AASB 15.

Financial Statements

Statement of Comprehensive Income for the year ended 30 June 2019

AASB 101.49
AASB 101.10(b)(ea)
AASB 101.10A
AASB 101.51(c)
AASB 1055.6(b)(e)
AASB 101.113
AASB 101.51(d)(e)

	Notes	Budget 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000
AASB 101.81A	Continuing operations			
	Expenses excluding losses			
AASB 101.99, 102	Employee-related expenses			
AASB 101.99, 102	Operating expenses			
AASB 101.99, 102				
AASB 138.118(d)	Depreciation and amortisation			
AASB 101.99, 102	Grants and subsidies			
AASB 101.82(b)	Finance costs			
AASB 101.99, 102	Other expenses			
	Total expenses excluding losses			
	Revenue			
AASB 1004.60	Appropriation			
AASB 1004.63(b)	(Transfers to the Crown Entity)			
AASB 118.35(b)(i)(ii)	Sale of goods and services			
AASB 101.85	Investment revenue			
AASB 101.85	Retained taxes, fees and fines			
AASB 1004.18(a)	Grants and other contributions			
AASB 1004.63(b)	Acceptance by the Crown Entity of employee benefits and other liabilities			
AASB 101.85	Other income			
AASB 101.82(a)	Total revenue			
AASB 101.85	Operating result			
AASB 101.85	Gains / (losses) on disposal	4		
AASB 101.82(ba)	Impairment losses on financial assets			
AASB 101.82(aa)	Net gains / (losses) from the derecognition of financial assets measured at amortised cost			
AASB 101.85	Other gains / (losses)	5		
AASB 101.85	Net result from continuing operations			
AASB 101.82(ea)				
AASB 5.33(a)	Net result from discontinued operations			
AASB 101.81A(a)	Net result			
	Other comprehensive income			
AASB 101.82A(a)(i)	<i>Items that will not be reclassified to net result in subsequent periods</i>			
AASB 116.39	Changes in revaluation surplus of property, plant and equipment			
Interpretation 1.6(d)	Changes in revaluation surplus arising from changes in restoration liability			
AASB 7R.20(a)(vii)	Net gains / (losses) on equity instruments at fair value through other comprehensive income			
AASB 101.85	Others [specify]			
AASB 101.82A(a)(ii)	<i>Items that may be reclassified to net result in subsequent periods</i>			
AASB 7R.20(a)(viii)	Debt instruments at fair value through other comprehensive income			
AASB 7R.20(a)(viii)	- Net gains / (losses) during the period			
AASB 101.92	- Reclassified to net result			
	Available-for-sale financial assets			
AASB 7.20(a)(ii)	- Net gains / (losses) during the period			
AASB 101.92	- Reclassified to net result			
AASB 101.85	Others [specify]			
AASB 101.81A(b)	Total other comprehensive income			
AASB 101.81A(c)	TOTAL COMPREHENSIVE INCOME			

The accompanying notes form part of these financial statements.

Commentary on Statement of Comprehensive Income

Format of Statement of Comprehensive Income

AASB 101.81A	1. AASB 101 sets out the format for the Statement of Profit or Loss and Other Comprehensive Income (referred to in the Code as the Statement of Comprehensive Income), including certain line items entities must disclose on the face of the Statement of Comprehensive Income: revenue; finance costs; share of the net result of associates and joint ventures accounted for using the equity method; net result; items of other comprehensive income classified by nature; share of any other comprehensive income of associates and joint ventures accounted for using the equity method; and total comprehensive income.
AASB 101.82	
AASB 101.82A	
AASB 101.82A	2. Line items in the other comprehensive income section must be grouped into those that, in accordance with other Australian Accounting Standards (AAS): <ul style="list-style-type: none"> • will not be reclassified to net result; and • will be reclassified to profit or loss when specified conditions are met.
AASB 101.7	Total comprehensive income is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners.
Treasury Mandates	3. NSW Treasury mandates a single Statement of Comprehensive Income for all NSW GGS entities.
AASB 101.85-86	4. Additional line items, headings and subtotals shall be presented in the Statement of Comprehensive Income when such presentation is relevant to an understanding of the entity's financial performance. The Code includes certain specific additional line items in the pro forma Statement of Comprehensive Income. In NSW, the inclusion of any other new line items on the face of the Statement of Comprehensive Income not already prescribed by AAS (see para 5 below) will no longer require an exemption from the Treasurer. However, GGS entities are encouraged to follow the format of the Code to promote consistency in financial reporting across NSW.
AASB 101.81B	5. AASB 101 mandates the following additional line items to be included in the Statement of Comprehensive Income: <ul style="list-style-type: none"> • profit or loss attributable to: <ul style="list-style-type: none"> ○ non-controlling interest and ○ owners of the parent; and • comprehensive income attributable to: <ul style="list-style-type: none"> ○ non-controlling interest and ○ owners of the parent. <p>In general, these disclosures are not applicable to GGS entities. Where they are applicable and material, entities must include these line items on the face of the Statement of Comprehensive Income.</p>
AASB101.82(a)	6. Consequential amendments made to AASB 101 to reflect the adoption of AASB 9 now require the separate presentation of the following line items in the statement of comprehensive income: <ul style="list-style-type: none"> • interest revenue calculated using the effective interest rate method • gains and losses from the derecognition of financial assets measured at amortised cost • impairment losses, including reversals of impairment losses or impairment gains • gains and losses recognised as a result of a reclassification of financial assets at amortised cost to fair value through profit or loss • gains and losses reclassified from other comprehensive income as a result of a reclassification of financial assets at fair value through other comprehensive income to fair value through profit or loss. <p>Depending on materiality, it may not always be necessary to present these items separately in the statement of comprehensive income. Agencies also have the option to disclose a further breakdown of the above items by financial asset category (except for interest revenue which is required to be presented by financial asset category under 'investment revenue') in Note 5 or Note 34.</p>
AASB101.82(aa)	
AASB101.82(ba)	
AASB101.82(ca)	
AASB101.82(cb)	
AASB101.82(cc)	

Commentary on Statement of Comprehensive Income	
Expenditure classification and disclosure	
AASB 101.29, 99 Treasury Mandates	7. Entities must classify all expenses either according to their nature or according to their function and must disclose the amount in each (material) class on the face of the Statement of Comprehensive Income or in the notes. Expenses are required to be presented on the basis of their nature.
AASB 101.97	When items of income and expenses are material, their nature and amount shall be disclosed separately either in the Statement of Comprehensive Income or in the notes to the financial statements.
Offsetting	
AASB 101.32, 34-35 AASB 137.54	8. Entities must not offset income and expenses unless required or permitted by an AAS. Examples of items that must be offset include gains and losses on disposal of non-current assets, including investments and operating assets. Also, expenses relating to a provision that is expected to be reimbursed by another entity may be presented net of the amount recognised for reimbursement.
Material Items	
AASB 101.97	9. Entities shall disclose material items of income and expense separately, either on the face of the Statement of Comprehensive Income or in the notes.
AASB 101.87	Entities shall not present any items of income and expense as extraordinary items, either in the Statement of Comprehensive Income or in the notes.
Proceeds on sale of assets	
Treasury Mandates	10. Where an entity must remit either all or a portion of the proceeds on sale of assets to the Crown Entity, such remittances must be included in 'transfers to the Crown Entity' after the line item 'appropriation' in the Statement of Comprehensive Income.
Net result	
AASB 101.88	11. Entities must include all items of income and expense recognised in a period in profit or loss (i.e. net result) unless an AAS requires otherwise (e.g. revaluation surplus under AASB 116 <i>Property, Plant and Equipment</i>).
Changes in accounting policy	
AASB 108.19(a)(b)	12. Changes in accounting policy resulting from amendments in AASs should be accounted for in accordance with that standard or in the absence of transitional provisions, retrospectively.
AASB 108.19(b), 22, 24, 42	13. Voluntary changes in accounting policy or the correction of material prior period errors must be accounted for retrospectively by adjusting the opening balance of accumulated funds for the comparative period (or by adjusting the comparative period if the error occurred in that period).
Personnel services	
TC15-07	14. For entities impacted by TC15-07 regarding employment arrangements, the face of the Statement of Comprehensive Income must disclose, where applicable: <ul style="list-style-type: none"> • entity receiving personnel services (i.e. statutory body) – additional line item under 'Operating expenses' for 'Personnel services' • entity providing personnel services [i.e. a public service agency under the Government Sector Employment Act 2013 (GSE Act)] – additional line item under 'Revenue' for 'Personnel services revenue' <p>A personnel service entity is referred to as a Staff Agency under the GSE Act.</p>
Other comprehensive income	
AASB 101.7	15. The components of other comprehensive income include (not inclusive): <ul style="list-style-type: none"> • changes in revaluation surplus • gains or losses on remeasuring available-for-sale financial assets <i>[only for the comparative period ended 30 June 2018]</i> • gains or losses on remeasuring financial assets at fair value through other comprehensive income <i>[from 1 July 2018]</i> • fair value changes on financial liabilities at fair value through profit or loss related to the entity's own credit risk <i>[from 1 July 2018]</i> • remeasurements of defined benefit plans (where appropriate).

Commentary on Statement of Comprehensive Income

AASB 101.92-94	16. The entity shall disclose reclassification adjustments relating to items of other comprehensive income, either in the Statement of Comprehensive Income or in the notes. A reclassification adjustment is included with the related items of other comprehensive income in the period that the adjustment is reclassified to net result.
AASB 101.95-96 AASB 9.5.7.10 AASB 9.B5.7.1	17. Reclassification adjustments arise, for example, on derecognition of available-for-sale financial assets <i>[only for the comparative period ended 30 June 2018]</i> , and on derecognition of debt instruments at fair value through other comprehensive income <i>[from 1 July 2018]</i> . They do not arise on changes in revaluation surplus nor on the derecognition of equity instruments at fair value through other comprehensive income <i>[from 1 July 2018]</i> .

Statement of Financial Position as at 30 June 2019

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

AASB 101.113 AASB 101.51(d)(e)	Notes	Budget 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000
ASSETS				
Current Assets				
AASB 101.60, 66	Cash and cash equivalents	10		
AASB 101.54(i)	Receivables	11		
AASB 101.54(h)	Inventories	12		
AASB 101.54(g)	Financial assets at fair value	13		
AASB 101.54(d)	Other financial assets	14		
AASB 101.54(d)	Other current assets	18		
<hr/>				
AASB 101.54(j) AASB 5.38	Non-current assets held-for-sale	19		
<hr/>				
Total Current Assets				
Non-Current Assets				
AASB 101.60	Receivables	11		
AASB 101.54(h)	Inventories	12		
AASB 101.54(g)	Financial assets at fair value	13		
AASB 101.54(d)	Other financial assets	14		
AASB 101.54(d)	Property, plant and equipment	15		
AASB 101.78a	- Land and buildings			
AASB 101.78a	- Plant and equipment			
AASB 101.78a	- Infrastructure systems			
<hr/>				
AASB 101.54(a)	Total property, plant and equipment			
AASB 101.54(b)	Investment property	16		
AASB 101.54(c)	Intangible assets	17		
AASB 101.55	Other non-current assets	18		
<hr/>				
Total Non-Current Assets				
<hr/>				
Total Assets				
<hr/>				
LIABILITIES				
Current Liabilities				
AASB 101.60, 69	Payables	22		
AASB 101.54(k)	Borrowings	23		
AASB 101.54(m) AASB 7R.8 (e)(g)	Provisions	24		
AASB 101.54(l)	Other current liabilities	25		
<hr/>				
AASB 101.54(p)	Liabilities associated with non-current assets held-for-sale	19		
<hr/>				
AASB 5.38	Total Current Liabilities			
<hr/>				
Non-Current Liabilities				
AASB 101.60, 69	Borrowings	23		
AASB 101.54(m) AASB 7.8 (e)(f)	Provisions	25		
AASB 101.54(l)	Other non-current liabilities	25		
<hr/>				
Total Liabilities				
<hr/>				
Net Assets				
<hr/>				
EQUITY				
AASB 101.54(r), 78(e)	Accumulated funds	26		
<hr/>				
AASB 5.38	Reserves			
AASB 5.38	Amounts recognised in equity relating to non-current assets held-for-sale	19		
<hr/>				
Total Equity				
<hr/>				

The accompanying notes form part of these financial statements.

Commentary on Statement of Financial Position

Presentation of assets and liabilities

AASB 101.60 Treasury Mandates	1. AASB 101 requires the current / non-current presentation of assets and liabilities unless the liquidity presentation provides more relevant and reliable information. However, Treasury requires NSW GGS entities to adopt the current / non-current presentation.
AASB 101.32 AASB 132.42	2. Assets and liabilities must not be offset, unless an AAS requires or permits offsetting. An entity shall only offset a financial asset and financial liability and present the net amount in the Statement of Financial Position when the entity has a legally enforceable right to offset the recognised amounts and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
AASB 101.66 AASB 101.69	3. The terms 'current asset' and 'current liability' are those items an entity: <ul style="list-style-type: none"> • expects to realise (or settle) in the entity's normal operating cycle; • holds primarily for the purpose of trading; • expects to realise (or settle) within twelve months after the reporting period (including AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> 'held for sale' assets and liabilities); • classifies as cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period; or • for a liability, does not have an unconditional right to defer settlement thereof for at least twelve months after the reporting period.
AASB 101.68, 70, 71 Treasury Mandates	4. When an entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months. In NSW, public sector entities generally adopt a 12-month operating cycle. Where an entity intends to adopt a longer time period, they must notify NSW Treasury immediately.
AASB 101.72, 73	5. Financial liabilities shall be categorised as current when they are due to be settled within 12 months of the reporting period, even if: <ul style="list-style-type: none"> • the original term was for a period longer than 12 months; and • an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorised for issue.
AASB 101.74	In classifying a liability as current or non-current, certain events after the reporting period are ignored. For example, an entity classifies a liability as 'current' where a long-term covenant is breached on or before the end of the reporting period even if, after the end of the reporting period and before the financial statements are authorised for issue, the lender has agreed not to demand payment.
AASB 101.73	However, if an entity expects, and has the discretion, to refinance or roll over an obligation for at least 12 months after the reporting period under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. However, when refinancing or rolling over the obligation is not at the discretion of the entity (for example, there is no arrangement for refinancing), the entity does not consider the potential to refinance the obligation and classifies the obligation as current.
AASB 101.74	When an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender has agreed, after the reporting period, and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have an unconditional right to defer its settlement for at least 12 months after that date.
AASB 101.75	However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.
AASB 101.10(f)	6. An additional Statement of Financial Position (represented in the pro forma by the additional column) is required in the Statement of Financial Position as at the beginning of the preceding period only when an entity: <ul style="list-style-type: none"> • applies an accounting policy retrospectively;

Commentary on Statement of Financial Position

AASB 101.40A-44	<ul style="list-style-type: none"> • makes a retrospective restatement; e.g. the correction of an error or • reclassifies items in the financial statements;
	<p>and the retrospective application, retrospective restatement or reclassification has a material effect on the information in the Statement of Financial Position at the beginning of the preceding period.</p>
	<p>Therefore, if none of the above has occurred during the year, entities should delete the additional column from the pro forma Statement of Financial Position.</p>
AASB 101.41-44	<p>When an entity is required to present an additional Statement of Financial Position, it must disclose the information required by paragraphs 41-44 of</p>
AASB 108.28, 29, 49	<p>AASB 101 (disclosures regarding reclassifications of comparative amounts) and AASB 108 (paras 28, 29 and 49). However, an entity is not required to present the related notes to the opening Statement of Financial Position as at the beginning of the preceding period.</p>
AASB 5.40	<p>7. An entity shall not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the Statements of Financial Position for prior periods to reflect the classification in the Statement of Financial Position for the latest period presented.</p>
	<p>Disclosures on the face of the Statement of Financial Position</p>
AASB 101.29, 54-55, 77	<p>8. Entities must disclose certain classes of items separately on the face of the Statement of Financial Position. In addition, an entity must disclose, either on the face of the Statement of Financial Position or in the notes, further sub-classifications of the line items presented, classified in a manner appropriate to the entity's operations.</p>

Statement of Changes in Equity for the year ended 30 June 2019

AASB 101.10(c)(ea) AASB 101.49 AASB 101.51(c) AASB 101.106(d) AASB 101.113 AASB 101.51(d)(e)	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Financial assets at FVOCI Reserve \$'000	Available-for- sale Reserve \$'000	Other Reserves [specify] \$'000	Total \$'000
	Balance at 1 July 2018						
AASB 101.106(b), 110	Changes in accounting policy						
AASB 101.106(b), 110	Correction of errors						
	Restated balance at 1 July 2018						
AASB 101.106(d)(i)	Net result for the year						
	Other comprehensive income						
AASB 101.106A	Net change in revaluation surplus of property, plant and equipment						
AASB 101.106A	Net gains / (losses) on equity instruments at fair value through other comprehensive income						
	Debt instruments at fair value through other comprehensive income:						
	Net gains / (losses) during the period						
AASB 7R.20(a)(viii) AASB 7R.20(a)(viii) AASB 101.92	Reclassification to net result						
	Net change in restoration liability						
	Others [specify]						
AASB 101.106(d)(ii)	Total other comprehensive income						
	Total comprehensive income for the year						
AASB 101.106(d)(iii)	Transactions with owners in their capacity as owners						
	Shares issued						
	Increase / (decrease) in net assets from equity transfers			26			
	Balance at 30 June 2019						

NSW Treasury

AASB 101.10(c)(ea)
AASB 101.49
AASB 101.51(c)
AASB 101.106(d)
AASB 101.113
AASB 101.51(d)(e)

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Available- for-Sale Reserve \$'000	Other Reserves [specify] \$'000	Total \$'000
		Balance at 1 July 2017				
AASB 101.106(b), 110		Changes in accounting policy				
AASB 101.106(b), 110		Correction of errors				
		Restated balance at 1 July 2017				
AASB 101.106(d)(i)		Net result for the year				
		Other comprehensive income				
AASB 101.106A		Net change in revaluation surplus of property, plant and equipment				
		Available-for-sale financial assets:				
AASB 7.20(a)(ii)		Net gains / (losses) during the period				
AASB 7.20(a)(ii)		Reclassification to net result				
		Net change in restoration liability				
		Others [specify]				
AASB 101.106(d)(ii)		Total other comprehensive income				
		Total comprehensive income for the year				
AASB 101.106(d)(iii)		Transactions with owners in their capacity as owners				
		Shares issued				
	26	Increase / (decrease) in equity from transfers				
		Balance at 30 June 2018				

The accompanying notes form part of these financial statements.

Commentary on Statement of Changes in Equity	
	Requirements
AASB 101.106	<p>1. An entity shall present on the face of the Statement of Changes in Equity:</p> <ul style="list-style-type: none"> • total comprehensive income for the period • the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108 for each component of equity • a reconciliation for each component of equity between the carrying amount at the beginning and end of the period, separately disclosing changes from: <ul style="list-style-type: none"> - net result; - other comprehensive income; and - transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.
AASB 101.106A Treasury Mandates	<p>2. An entity may present an analysis of other comprehensive income by item either in the Statement of Changes in Equity or in the notes. NSW Treasury has mandated that the analysis of other comprehensive income by item must be presented in the Statement of Changes in Equity.</p>
	Adjustments
AASB 1004.48-49	<p>3. All contributions by or distributions to owners are to be adjusted against the equity account when they qualify for recognition.</p>
AASB 101.110	<p>4. Retrospective adjustments to effect changes in accounting policies and retrospective restatements to correct errors are not changes in equity. They are adjustments to the opening balance of accumulated funds, except when an AAS requires retrospective adjustment of another component of equity. An entity discloses these adjustments for each prior period and the beginning of the period.</p>
AASB 101.106(b)	<p>5. On 1 July 2018 - at initial application of AASB 9, any cumulative gains / losses of financial assets previously classified as available-for-sale financial assets under AASB 139 should be reversed in the opening balance of 'Available-for-Sale Reserve'.</p>
AASB 101.106(b) AASB 9. 7.2.3 AASB 9.7.2.8	<p>At 1 July 2018, all cumulative gains /losses of debt financial instruments that meet the condition for classification as at fair value through other comprehensive income and/or equity investments that have been designated as at fair value through other comprehensive income under AASB 9, and any adjustments from measurements should be adjusted to the opening balance of 'Financial assets at FVOCI Reserve' and accumulated funds as applicable.</p>

Statement of Cash Flows for the year ended 30 June 2019

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

		Budget 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000
AASB 101.113				
AASB 101.51(d)(e)				
AASB 107.10, 14, 18(a)	CASH FLOWS FROM OPERATING ACTIVITIES			
	Payments			
AASB 107.14(d)	Employee related			
AASB 107.14(c)	Suppliers for goods and services			
	Grants and subsidies			
AASB 107.31	Finance costs			
	Other			
	Total Payments			
AASB 1004.63	Receipts			
	Appropriations (excluding equity appropriations)			
	Reimbursements from the Crown Entity (Transfers to the Crown Entity)			
AASB 107.14(a)	Sale of goods and services			
AASB 107.31	Interest received			
AASB 107.14(b)	Retained taxes, fees and fines			
	Grants and other contributions			
	Other			
	Total Receipts			
	NET CASH FLOWS FROM OPERATING ACTIVITIES			
		30		
AASB 107.10, 16, 21	CASH FLOWS FROM INVESTING ACTIVITIES			
AASB 107.16(b)	Proceeds from sale of land and buildings, plant and equipment and infrastructure systems			
AASB 107.16(d)	Proceeds from sale of financial assets			
AASB 107.16(f)	Advance repayments received			
AASB 107.16(a)	Purchase of land and buildings, plant and equipment and infrastructure systems			
AASB 107.16(a)	Purchase of intangible assets			
AASB 107.16(c)	Purchase of financial assets			
AASB 107.16(e)	Advances made			
	Other			
	NET CASH FLOWS FROM INVESTING ACTIVITIES			
AASB 107.10, 17, 21	CASH FLOWS FROM FINANCING ACTIVITIES			
TPP09-3	Capital appropriation – equity appropriation			
AASB 107.17(a)	Proceeds from borrowings and advances			
AASB 107.17(c)	Cash equity injection to for-profit entities			
AASB 107.17(a)	Repayment of borrowings and advances			
AASB 107.17(d)	Other			
	NET CASH FLOWS FROM FINANCING ACTIVITIES			
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
	Opening cash and cash equivalents			
Treasury Mandates	Cash transferred in / (out) as a result of administrative restructuring			
		26		
AASB 107.45	CLOSING CASH AND CASH EQUIVALENTS	10		

The accompanying notes form part of these statements.

Commentary on Statement of Cash Flows	
Presentation of cash flows	
AASB 107.10, 18(a), 21, 22 Treasury Mandates	1. The Statement of Cash Flows must report cash flows during the period classified by operating, investing and financing activities and separately disclose certain cash flows. Cash flows must be presented on a gross basis except to the extent that cash flows described in AASB 107.22 are reported on a net basis. NSW Treasury mandates the direct method of reporting cash flows from operating activities.
AASB 107.31 Treasury Mandates	Cash flows from interest and dividends received and paid shall be disclosed separately. NSW Treasury mandates interest paid, interest received and dividends received as operating cash flows, and dividends paid as financing cash flows.
Equity transfers – impact on the Statement of Cash Flows	
Treasury Mandates	2. Where cash is transferred as part of an administrative restructure, the reconciliation of opening and closing cash balances in the Statement of Cash Flows will be affected. To ensure that cash reconciles in the Statement of Cash Flows, the 'Opening cash and cash equivalents' amount must be adjusted to include any cash received or paid as a result of restructuring.
Goods and Services Tax (GST)	
Interpretation 1031.10	3. Interpretation 1031 <i>Accounting for the GST</i> provides that entities must include cash flows in the Statement of Cash Flows on a gross basis in accordance with AASB 107 <i>Statement of Cash Flows</i> .
Interpretation 1031.11	The Interpretation also states that the GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the taxation authority must be classified as operating cash flows. Therefore, cash flows arising from investing and financing activities are included net of GST recoverable from or payable to the Australian Taxation Office. The GST component is regarded as being of an operating nature irrespective of what asset / expense it is associated with.

Commentary on Financial Statements

Budgeted amounts

- AASB 1055.6-7 1. Where an entity's budgeted financial statements were presented to Parliament (i.e. in the NSW Government Budget Papers), the entity's financial statements must comply with AASB 1055 *Budgetary Reporting*. In respect of the actual amount of each item in the financial statements for the current financial year, entities must present the corresponding budgeted amount for that item for the current financial year.
- AASB 1004.64 (a)(b)
AASB 1055.6-7 The budgeted amounts must be drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period and must be prepared on the same basis as the financial statements.
- AASB 1055.11
Treasury Mandates Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgetary information.

Explaining Variances

2. Major variances between the original budgeted amounts and the actual amounts in the financial statements should be explained in a note to the financial statements (Note 29).
- AASB 1055.6(f) Where relevant, variances may relate to transfers of functions or restructures. The format of disclosures in Note 29 could include columns to explain the components of the overall variance between the original budget and actual information. For instance, where an entity has been impacted by a restructure, a column disclosing the budget after amendments for the restructure could be included. However, these columns should not be referred to as a 'revised budget'.
- Regardless, major variances between actual amounts and the original budget must be explained.

Other requirements under AASB 1055

- AASB 1055.8 3. Comparative budgetary information in respect of the previous period need not be disclosed.
- AASB 1055.7(a), 13 4. An entity with administered items included in its original budgeted financial statements presented to Parliament must disclose the corresponding budgeted amount for those items for the current financial year (Note 33).

Entities not required to include AASB 1055 information

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

Consistency of presentation

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

Commentary on Financial Statements

Materiality and aggregation

- AASB 101.29-31
- AASB 101.7
7. Entities must present each material class of similar items separately in the financial statements. An immaterial item need not be disclosed. An item that is not sufficiently material to warrant separate presentation on the face of the statements may nevertheless be sufficiently material to be disclosed separately in the notes. Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Comparative information – general

- AASB 101.38
AASB 101.10(ea)
8. In general, an entity must present comparative information for the preceding financial year for all amounts reported in the current period's financial statements, except where an AAS permits or requires otherwise.
- Entities must include comparative information for narrative and descriptive information included in the financial statements if it is relevant to an understanding of the financial statements. In some cases, narrative information provided for the preceding period continues to be relevant in the current period; e.g. where an uncertainty was disclosed at the end of one reporting period, which is resolved in the next reporting period.
- AASB 101.38
- AASB 101.40A
- When an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements and they have a material effect on the information in the Statement of Financial Position at the beginning of the preceding period, it must present an additional Statement of Financial Position as at the beginning of the preceding period, in addition to the minimum comparative financial statements.
- AASB 101.38C-38D
9. An entity may present comparative information in addition to the minimum comparative financial statements, as long as that information is prepared in accordance with AAS. It may comprise one or more of the components of the financial statements (with related note information) (e.g. a third Statement of Comprehensive Income), but it need not comprise a complete set of financial statements (i.e. need not present a third statement for all of the financial statements).

Comparatives – changes in accounting policy

- AASB 108.5,19,22-25
10. When an entity changes an accounting policy upon initial application of an AAS that does not include specific transitional provisions applying to that change, or changes an accounting policy voluntarily, it must apply the change retrospectively, where practicable. The entity must adjust the opening balance of each affected component of equity for the earliest prior period presented, and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.
- When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for the prior periods presented, the entity shall apply the new accounting policy to the opening balances of the earliest period for which retrospective application is practicable.
- When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.
- The treatment of changes in accounting policy is further discussed in the commentary to Note 1.
- AASB 9.Aus1.2
AASB 9.7.2.15
Treasury Mandates
- AASB 9.7.2.15
11. AASB 9 is effective from 1 July 2018 and does not require an entity to restate prior periods. Restatement is permitted, if and only if, it is possible without the use of hindsight and the restated financial statements reflect all of the requirements of AASB 9. **Treasury mandates** comparatives should not be restated.
- Any difference between previous carrying amounts and those determined under AASB 9 at the date of initial application should be included in opening accumulated funds at 1 July 2018.

Commentary on Financial Statements

Comparatives – restatement / correction of errors

AASB 108.42-48

12. An entity shall correct material prior period errors retrospectively in the first financial statements issued after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, where practicable, or, if the error occurred before the earliest prior period presented, by restating the opening balances for the earliest prior period presented.

When it is impracticable to determine the period-specific effects of an error on comparative information, the entity shall restate the opening balances for the earliest period for which retrospective restatement is practicable (which may be the current period).

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

Comparatives - Reclassification

AASB 101.41

13. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period): the nature of the reclassification; the amount of each item or class of items that is reclassified; and the reason for the reclassification.

AASB 101.42

When it is impracticable to reclassify comparative amounts, an entity shall disclose: the reason for not reclassifying the amounts; and the nature of the adjustments that would have been made if the amounts had been reclassified.

Revision of accounting estimates

AASB 108.32

14. As a result of the uncertainties inherent in business and other activities, many items in financial statements cannot be measured with precision but can only be estimated. Estimates may be required, for example, of the useful lives or expected pattern of consumption of future economic benefits of depreciable assets, of bad debts and inventory obsolescence. An estimate may be revised if there are changes in the circumstances on which the estimate was based or as a result of new information, more experience or subsequent developments.

AASB 108.36

The effect of a revision of an accounting estimate must be recognised prospectively by including it as revenue or expense in the Statement of Comprehensive Income in the reporting period in which the accounting estimate is revised, if the revision affects that reporting period only, or in the reporting period of the revision and future reporting periods, if the revision affects both the current and future reporting periods.

AASB 108.39-40
AASB 116.76
AASB 138.121

The nature and amount of a revision of an accounting estimate that affects the reported financial performance or financial position of the current or future reporting period(s) must be disclosed in the notes to the financial statements, except where impracticable for future periods. Where impracticable, an entity must disclose that fact.

AASB 108.35

Where there are difficulties in distinguishing between a change in an accounting policy and a revision of an accounting estimate, the transaction is treated as a revision of an accounting estimate.

Transfer payments

AASB 1050.17-20

15. Transfer payments are not recognised in the Statement of Comprehensive Income, as the entity does not control these types of payments (see Note 8 on Transfer Payments). Those parts of appropriations that are in the nature of transfer payments are not to be recognised in the Statement of Comprehensive Income.

Similarly, cash flows resulting from transfer payments are not recognised in the Statement of Cash Flows.

Personnel services

TC15-07

16. For entities impacted by TC15-07 regarding employment arrangements, expenses, revenues, assets and liabilities not referred to elsewhere in the Code must be classified into existing line items in the financial statements and dissected in the notes, as appropriate.

Notes to the financial statements

AASB 101.10(e), 113, 117

1. Statement of Significant Accounting Policies

a) Reporting entity

AASB 101.138
TPP05-4
AASB 1054.8(b)

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

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

For entities preparing consolidated financial statements, disclose the following:

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

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

AASB 110.17

These financial statements for the year ended 30 June 2019 have been authorised for issue by the *[Secretary / Board]* on *[insert date]*.

b) Basis of preparation

AASB 101.27, 112(a)
AASB 1054.7-9

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

AASB 101.117(a)

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the Public Finance and Audit Act 1983 (the Act) and Public Finance and Audit Regulation 2015 and
- Treasurer's Directions issued under the Act.

AASB 1054.9

Treasury Mandates

AASB 101.112(a)
AASB 101.117(a)
Treasury Mandates

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

AASB 101.122, 125

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

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

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

c) Statement of compliance

AASB 1054.7

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

d) Administered activities

AASB 1050.7
AASB 1050.24

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

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

AASB 1050.24

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

AASB 101.10(e), 113,
117

1. Statement of Significant Accounting Policies

Interpretation 1031.6-9	<p>e) Accounting for the Goods and Services Tax</p> <p>Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:</p> <ul style="list-style-type: none"> • amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and • receivables and payables are stated with the amount of GST included.
Interpretation 1031.10-11	<p>Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.</p>
AASB 121.21-22	<p>f) Foreign currency translation</p> <p>Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.</p>
AASB 121.23(a) AASB 121.8	<p>Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.</p>
AASB 121.28	<p>Differences arising on settlement or translation of monetary items are recognised in net result.</p> <p>Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or net results are also recognised in other comprehensive income or net results, respectively).</p>
AASB 121.23(b) AASB 121.23(c)	<p>g) Comparative information</p> <p>Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.</p>
AASB 121.30	<p>h) Changes in accounting policies, including new or revised AAS</p> <p>i. Effective for the first time in 2018-19</p> <p>The entity has adopted AASB 9 <i>Financial Instruments</i> (AASB 9), which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. AASB 9 also significantly amends other standards dealing with financial instruments such as the revised AASB 7 <i>Financial Instruments: Disclosures</i> (AASB 7R).</p> <p>The entity applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139). Any differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity.</p> <p>The entity applies the hedge accounting requirements of AASB 9 prospectively.</p>
AASB 101.38	<p>AASB 108.28(c) AASB 9.Aus.1.2 AASB 9.7.2.21 AASB 7R.42K</p>
AASB 9.7.2.1 AASB 7R.42Q	<p>AASB 9.7.2.22</p>

AASB 101.10(e), 113,
117

1. Statement of Significant Accounting Policies

[Disclose if material]

AASB 108.28

The effect of adopting AASB 9 on the statement of financial position (increase/(decrease) as at 1 July 2018 is set out below:

	Notes	1 July 2018 \$'000
Assets		
<i>[Specify accounts]</i>	(a)(b)	
Liabilities		
<i>[Specify accounts]</i>		
Total adjustment on equity		
Accumulated funds		
Other components of equity		

a) Classification and measurement of financial instruments

AASB 7R.42J

AASB 108.28(f)(i)
AASB 7R.42L

On 1 July 2018 (the date of initial application of AASB 9), the entity's management has assessed which business models apply to the financial assets held by the entity and has classified its financial instruments into the appropriate AASB 9 categories. The main effects resulting from this reclassification are as follows:

	Notes	FVPL \$'000	FVOCI (AFS) \$'000	Loans and receivable (L&R) \$'000
Closing balance 30 June 2018 – AASB 139				
Reclassify securities from available- for-sale (AFS) to FVOCI*				
Specify other reclassifications				
Opening balance 1 July 2018 – AASB 9				

* The closing balances as at 30 June 2018 show available-for-sale (AFS) financial assets under FVOCI. These reclassifications have no impact on the measurement categories.

AASB 101.106(b)
AASB 108.28(f)
AASB 101.17(c)

The impact of transition to AASB 9 on reserves and accumulated funds is, as follows:

	Notes	Effect on AFS reserve \$'000	Effect on FVOCI reserve \$'000	Accumulated funds \$'000	Total change in equity \$'000
Closing balance 30 June 2018 – AASB 139					
Reclassification adjustments in relation to adopting AASB 9					
Re-measurement impact of reclassifying financial assets					
Recognition of AASB 9 expected credit losses					
Total impact					
Opening balance 1 July 2018 – AASB 9					

[Note: The above adjustments are examples for reference only. Agencies should only include adjustments that are applicable in their circumstances.]

The nature of the above adjustments are described below:

AASB 9.7.2.1
AASB 9.7.2.15

Under AASB 9, subsequent measurement of debt financial assets is based on assessing the contractual cash flow characteristics of the debt instrument and the entity's business model for managing the instrument.

The assessment of the entity's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of

1. Statement of Significant Accounting Policies

principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the entity. The entity continued measuring at fair value, all financial assets previously held at fair value under AASB 139.

The following are the changes in the classification of the entity's financial assets:

- Trade receivables and other financial assets (i.e., term deposits) classified as 'Loans and receivables' under AASB 139 as at 30 June 2018 are held to collect contractual cash flows representing solely payments of principal and interest. At 1 July 2018, these are classified and measured as debt instruments at amortised cost.
- Investments in TCorpIM Funds are managed on a fair value basis and hence were designated at fair value through profit or loss under AASB 139 as at 30 June 2018. Under AASB 9, these are now mandatorily required at transition date of 1 July 2018 and going forward to be classified and measured as fair value through profit or loss.
- The entity has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for the entity's financial liabilities.

In summary, upon the adoption of AASB 9, the entity had the following required or elected reclassifications as at 1 July 2018:

AASB 7R.42I

	Measurement category		Carrying amount		
	AASB 139	AASB 9	Original \$'000	New \$'000	Difference \$'000
Trade receivables	L&R	Amortised cost			
Term deposits	L&R	Amortised cost			
Other receivables	L&R	Amortised cost			
Derivatives	FVPL	FVPL			
TCorpIM Funds	FVPL	FVPL			
Unlisted equity securities	AFS	FVOCI			

b) Impairment

The adoption of AASB 9 has *[fundamentally]* changed the entity's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the entity to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. *[Disclose if there is no material impact]* There is no material impact to the entity on adopting the new impairment model.

AASB 9.5.5.1

[Disclose if material] Set out below is the reconciliation of the closing impairment allowances under AASB 139 to the opening loss allowances determined under AASB 9:

AASB 7R.42P

	Allowance for impairment under AASB 139 as at 30 June 2018	Re-measurement	ECL under AASB 9 as at 1 July 2018
	\$'000	\$'000	\$'000
Loans and receivables under AASB 139/Financial assets at amortised cost under AASB 9			
AFS financial asset under AASB 139/Debt instruments at fair value through other comprehensive income under AASB 9			

AASB 101.10(e), 113, 117

1. Statement of Significant Accounting Policies

Treasury Mandates

ii. Issued but not yet effective

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

AASB 108.30

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

Commentary on Statement of Significant Accounting Policies	
Application of illustrative example accounting policy note	
AASB 101.112, 117	<p>1. AASB 101 requires entities to present information about the basis of preparation of the financial statements and the specific accounting policies used. In particular, entities must disclose the measurement basis (or bases) used in preparing the financial statements and the other accounting policies and additional information relevant to an understanding of the financial statements.</p> <p>This example accounting policy note should be suitable for most entities, subject to appropriate adaptations taking into account the requirements in AASB 101. Where an area or category is not relevant to an entity, then the accounting policy note in relation to that matter can be omitted (e.g. if an entity does not have any available-for-sale financial assets (<i>until 30 June 2018</i>) or financial assets at fair value through other comprehensive income (<i>from 1 July 2018</i>), then there is no need to have an accounting policy note on this category).</p> <p>Where possible, the Code now presents the relevant accounting policies within the related disclosure note. However, agencies may prefer to instead present all accounting policies in Note 1.</p>
Reporting entity disclosure	
AASB 101.138(a)-(c)	<p>2. Entities shall disclose the following, if not disclosed elsewhere in information published with the financial statements (i.e. annual report):</p> <ul style="list-style-type: none"> • the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office); • a description of the nature of the entity's operations and its principal activities; and • the name of the parent and the ultimate parent of the group. • The ultimate parent of the entity is the State of New South Wales.
Reporting entity	
AASB 10.4, Appendix A TC15-05	<p>3. The consolidated financial statements are those of the economic entity, comprising the entity (parent entity) and all the entities that the entity controls (including controlled commercial activities of an entity). The objective of preparing consolidated financial statements is to reflect the economic entity as a single reporting entity for decision making and accountability purposes, regardless of the activities encompassed by the reporting entity.</p> <p>Notwithstanding the requirement for government entities to prepare consolidated financial statements, the extent of the entities' involvement in dissimilar activities is conveyed in the consolidated financial statements by the presentation of disaggregated information on a program group basis.</p> <p>The individual entities that comprise the economic entity (i.e. the parent entity and any controlled entities) are also separate reporting entities in their own right and must prepare financial statements. Controlled entities are subject to the same accounting and auditing requirements as the controlling entity. Further, the annual reporting legislation requires the annual financial statements of a controlled entity to be included in the annual report of the controlling entity.</p>
AASB 10.21, B86	
AASB 1052.15	
TC15-05	
Treasury Mandates	<p>4. The financial statements of the parent entity must be included as a separate column adjacent to the consolidated financial statements.</p>

Commentary on Statement of Significant Accounting Policies	
	Reporting periods – other than twelve months
AASB 101.36	5. If the entity's annual financial statements present information for current or prior annual reporting periods that are not equal to twelve months, the entity must disclose the period covered by the financial statements; the reason for a period other than twelve months being used; and the fact that comparative amounts are not comparable where the lengths of the reporting period differ.
	Judgements, key assumptions and estimations
AASB 101.122	6. Entities must disclose the judgements (apart from those involving estimations) management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements.
AASB 101.125	Entities must disclose information about assumptions concerning the future and estimations that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period. Examples of types of disclosures include: the nature of the assumption or estimation uncertainty; sensitivity to the methods, assumptions and estimates, including reasons for sensitivity; expected resolution of an uncertainty and reasonably possible outcomes; and an explanation of changes made to past assumptions.
AASB 101.129	
	Disclosure of accounting framework
AASB 101.15 AASB 1054.8(a)	7. The financial statements are to be prepared in accordance with relevant AAS.
AASB 1054.9	8. AASB 101 requires the summary of accounting policies note to state that the financial statements are general purpose financial statements which have been prepared in accordance with AAS (which include Australian Interpretations). In addition to the Standards' requirements, entities must state that the financial statements have been prepared in accordance with the PFAA and Regulation, and other Directions issued by the Treasurer under the Act.
Treasury Mandates	
AASB 101.16	9. Subject to below, in addition to disclosing that the financial statements and notes comply with AAS (including Australian Interpretations), an entity whose financial statements and notes comply with International Financial Reporting Standards (IFRS) shall make an explicit and unreserved statement of such compliance in the notes, where the entity complies with all the requirements of IFRS. Some AAS contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. A not-for-profit entity will be unable to make an explicit and unreserved statement of compliance with IFRSs and AASB 101 clarifies that not-for-profit entities need not make such a statement.
AASB 101.Aus16.3	
	Criteria for Selection and Application of Accounting Policies
AASB 108.11	10. In the absence of a specific AAS, the hierarchy of other pronouncements is to be considered, in the following order of preference: <ul style="list-style-type: none"> • requirements in AAS dealing with similar and related issues • the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework. Management may also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources above.
AASB 101.12	
	Changes in accounting policies
AASB 108.14	11. A change in an accounting policy must be made only when it: <ul style="list-style-type: none"> • is required by an AAS or • results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.
AASB 108.19	12. A change in accounting policy made on initial adoption of an AAS must be accounted for in accordance with the specific transitional provisions, if any, in that Standard. If the Standard does not include transitional provisions applying to the change or where an entity changes an accounting policy voluntarily, the entity should apply the change retrospectively.
AASB 108.22	13. When a change in accounting policy is applied retrospectively, the entity calculates the amounts as if the new accounting policy had always been applied

Commentary on Statement of Significant Accounting Policies

	<p>by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each prior period.</p> <p>Where it is not practicable to determine the period-specific effects on comparative information, the entity must apply the accounting policy at the beginning of the earliest period for which retrospective application is practicable (i.e. cumulative effect), which may be the current period. When this is impracticable, the new accounting policy must be applied prospectively from the earliest date practicable.</p>
AASB 108.23, 24, 25	
AASB 108.28-29	<p>14. Where a new accounting policy or a voluntary change in accounting policy has an effect on the current financial year or any prior period or might have an effect in a subsequent financial year, the summary of accounting policies must disclose, or refer to a note disclosing:</p> <ul style="list-style-type: none"> • the title of the AAS (where applicable) • when applicable, that the change is made in accordance with transitional provisions; a description of these provisions and the effect these transitional provisions might have on future periods • the nature of and reasons for the change • the amount of the adjustment for the current period and each prior period presented, to the extent practicable, for each financial statement line item affected • the amount of the adjustment relating to periods before those presented, to the extent practicable and • if retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of the condition and a description of how and from when the change in accounting policy has been applied. <p>Financial statements of subsequent periods need not repeat these disclosures.</p>
	<p>15. On the date of initial application of AASB 9, the entity is required to disclose the following information on classification and measurement for each class of financial assets and financial liabilities:</p>
AASB 7R.42I	<ul style="list-style-type: none"> • All financial instruments <ul style="list-style-type: none"> ○ Each financial instrument's original measurement category and carrying amount (under AASB 139), and new measurement category and carrying amount (under AASB 9)
AASB 7R.42J	<ul style="list-style-type: none"> • All financial instruments whose classification has changed <ul style="list-style-type: none"> ○ How the entity applied the classification requirements in AASB 9 to those financial assets whose classification has changed ○ The reasons for any designation or de-designation of financial assets or financial liabilities at fair value through profit or loss at the date of initial application
AASB 7R.42I	<ul style="list-style-type: none"> ○ Each financial instrument's original measurement category and carrying amount (under AASB 139), and new measurement category and carrying amount (under AASB 9). Also differentiate between the changes attributable to transition to AASB 9 and those in the normal course of business
AASB 7R.42K AASB 7R.42L	<ul style="list-style-type: none"> ○ Each financial instrument's new measurement category and carrying amount (under AASB 9), differentiating between the change attributable to transition to AASB 9 and that which is in the normal course of business
AASB 7R.42O	<ul style="list-style-type: none"> ○ Reconciliation between the carrying amounts of financial instruments as accounted for under AASB 139 and AASB 9
AASB 7R.42Q	<ul style="list-style-type: none"> ○ It is not necessary to show the carrying amounts of financial instruments under AASB 9 for the comparative period, or under AASB 139 for the current period
AASB 7R.42I	<ul style="list-style-type: none"> • Instruments no longer held at fair value through profit or loss <ul style="list-style-type: none"> ○ The amount of any financial instruments in the statement of financial position that were previously designated at fair value through profit or loss but are no longer so designated, differentiating between those that AASB 9 requires reclassification and those that the entity elects to reclassify at the date of initial application
AASB 7R.42M	<ul style="list-style-type: none"> ○ The fair value of the instruments at the end of the reporting period ○ The fair value gain or loss that would have been recognised in profit or loss or other comprehensive income if the instruments had not been reclassified

Commentary on Statement of Significant Accounting Policies	
AASB 7R.42N	<ul style="list-style-type: none"> ○ The effective interest rate determined on the date of initial application ○ The interest revenue or expense recognised • Instruments no longer held at fair value through other comprehensive income
AASB 7R.42M	<ul style="list-style-type: none"> ○ The fair value of the instruments at the end of the reporting period ○ The fair value gain or loss that would have been recognised in other comprehensive income if the instruments had not been reclassified
AASB 7R.42P	<p>16. On the date of initial application of AASB 9, an entity is required to disclose information that would permit the reconciliation of the ending impairment allowances under AASB 139 to the opening loss allowances under AASB 9. For financial assets, this disclosure shall be provided by the related financial assets' measurement categories in accordance with AASB 139 and AASB 9, and shall show separately the effect of the changes in the measurement category on the loss allowance at that date.</p> <p>Changes in accounting estimates</p>
AASB 108.32 and 34	<p>17. As a result of the uncertainties inherent in business and other activities, many items in financial statements cannot be measured with precision but can only be estimated. Estimates may be required, for example, of the useful lives or expected patterns of consumption of future economic benefits of depreciable assets, of bad debts and inventory obsolescence. An estimate may be revised if there are changes in the circumstances on which the estimate was based or as a result of new information, more experience or subsequent developments.</p>
AASB 108.36	<p>18. The effect of a revision of an accounting estimate must be recognised prospectively by including it as revenue or expense in the Statement of Comprehensive Income in the reporting period in which the accounting estimate is revised, if the revision affects that reporting period only, or in the reporting period of the revision and future reporting periods, if the revision affects both the current and future reporting periods.</p>
AASB 108.39-40	<p>19. The nature and amount of a revision of an accounting estimate that affects the reported financial performance or financial position of the current or future reporting period(s) must be disclosed in the notes to the financial statements, except where impracticable for future periods. Where impracticable, an entity must disclose that fact.</p>
AASB 116.76	
AASB 138.121	
AASB 108.35	<p>20. Where there are difficulties in distinguishing between a change in an accounting policy and a revision of an accounting estimate, the transaction is treated as a revision of an accounting estimate.</p> <p>Reclassification of financial information</p>
AASB 101.41	<p>21. When the presentation or classification of items in the financial statements is amended, comparative amounts should be reclassified unless immaterial or impracticable, and the nature and amount of and reason for the reclassification must be disclosed.</p> <p>Reclassification of financial information is further discussed in the 'General commentary on the financial statements'.</p> <p>Additional disclosures where compliance with Standards is misleading</p>
AASB 101.23	<p>22. Financial statements must present fairly the financial position, financial performance and cash flows of the entity. In the extremely rare circumstance where management concludes that compliance with AAS would be so misleading that it would conflict with the objective of financial statements as per the Framework, the entity must make certain additional disclosures, including the reason for coming to this conclusion.</p>

2. Expenses Excluding Losses

		2019 \$'000	2018 \$'000
	a) Employee related expenses		
AASB 119.135	Salaries and wages (including annual leave)		
AASB 119.53	Superannuation – defined benefit plans		
	Superannuation – defined contribution plans		
	Long service leave		
	Workers' compensation insurance		
	Payroll tax and fringe benefit tax		
	[Specify other major categories]		

Treasury Mandates [Indicate the amount of employee related costs that have been capitalised in particular property, plant and equipment or intangible assets accounts, and therefore excluded from the above; i.e. \$X (2018: \$X).]

Commentary on employee related expenses disclosure	
Treasury Mandates	1. The notes to the Statement of Comprehensive Income are to disclose the major items recognised in determining employee related expenses: salaries and wages (including annual leave), superannuation, long service leave, workers' compensation insurance, payroll tax and fringe benefits tax and other major categories.
TPP06-6	2. Employee related maintenance expenses (i.e. employee expenses associated with day-to-day servicing costs) should be included as part of employee related expenses in the Statement of Comprehensive Income. Such expenses may include in-house trade staff, supervisors and managers directly involved in or related to day-to-day servicing costs.
	3. The maintenance expense in Note 2(b) therefore excludes any employee related expenses. However, a reconciliation to 'total maintenance', including 'employee related maintenance', is provided underneath Note 2(b).
Treasury Mandates	4. Further, employee related expenses do not include those employee related costs that have been capitalised as an asset. However, the amounts of various employee-related costs that have been capitalised in particular fixed assets accounts must be separately disclosed in the notes.

	b) Other operating expenses include the following:		
		2019 \$'000	2018 \$'000
AASB 1054.10	Auditor's remuneration		
	- audit of the financial statements		
AASB 102.36(d)	Cost of sales		
AASB 102.Aus36.1(c)	Cost of inventories held for distribution		
AASB 117.35(c)	Operating lease rental expense		
	- minimum lease payments		
AASB 101.97	Maintenance	X*	A*
AASB 101.97	Insurance		
AASB 101.97	Consultants		
AASB 101.97	Other contractors		
AASB 138.126	Research and development		
	[Specify other major categories]		

		2019 \$'000	2018 \$'000
TPP06-6	<i>*Reconciliation - Total maintenance</i>		
	Maintenance expense – contracted labour and other (non-employee related), as above	X	A
	Employee related maintenance expense included in Note 2(a)	Y	B
	Total maintenance expenses included in Note 2(a) + 2(b)	Z	C
TPP06-6	<i>*Reconciliation - Total maintenance</i>		

Recognition and Measurement

Maintenance expense

AASB 116.12-13
TPP06-6

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

Insurance

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

Operating leases

AASB 117.33

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Commentary on other operating expenses disclosure

AASB 101.97 AASB 1054.10 Treasury Mandates	1. Separate disclosures are to be made of any material items under 'Other operating expenses'. As a minimum, entities must disclose auditor's remuneration, cost of sales, costs of inventories held for distribution, operating lease rental expenses, maintenance, insurance, consultants, other contractors, research and development and other major categories.
TPP06-6	2. As discussed in the commentary to Note 2(a) above, the maintenance expense excludes any employee-related expenses. However, to enable users of the financial statements to determine the 'total maintenance' expense, a reconciliation of maintenance expenses included in employee related expenses at Note 2(a) is also required.
Treasury Mandates	For entities receiving personnel services (as discussed in TC15-07), the reference to 'employee related maintenance expense' in Note 2(b) above must be read as a reference to 'personnel services maintenance expense'. In effect, this amends the Guidelines for Capitalisation of Expenditure on Property, Plant and equipment (TPP06-6) to require the total maintenance expense to be dissected into personnel services related maintenance and other maintenance.
TC15-07	
AASB 1054.10, 11	3. The Auditor-General audits NSW public sector entities. The entity must disclose in the financial statements the amounts paid or payable to the Auditor-General for the audit of the entity's financial statements and all other services during the period. The entity should also describe the nature of other services, if any.
AASB 102.36(d), 38	4. Entities disclosing revenue from sale of goods must disclose cost of sales relating to the sale of those goods. 'Cost of sales' consists of those costs previously included in the measurement of inventory that has been sold and unallocated production overheads and abnormal amounts of production costs of inventories.
AASB 102.Aus34.1	5. When inventories held for distribution by a not-for-profit entity are distributed, the carrying amount of these inventories must be recognised as an expense and disclosed.
AASB102.Aus36.1(c)	
AASB 117.35(c)	6. AASB 117 <i>Leases</i> requires disclosure of the total amount of rental expense recognised in the financial year, with separate amounts for minimum lease payments, contingent rentals, and rental expense arising from sub-leases.

Commentary on other operating expenses disclosure	
AASB 138.54, 57 AASB 138.126	<p>7. In accordance with AASB 138 <i>Intangible Assets</i>, all research costs are expensed. Development costs are only capitalised when certain criteria are met. Research and development expenditure recognised as an expense must be disclosed.</p> <p>Consultants and other contractors</p> <p>8. A 'consultant' is a person or organisation engaged under contract on a temporary basis to provide recommendations or professional advice to assist decision-making by management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors.</p> <p>Services provided under the NSW Government Legal Services Panel are excluded from the definition of a consultant for annual reporting purposes.</p> <p>9. An 'other contractor' expense in the Code is any individual or organisation (other than a consultant) who is engaged to undertake work that would or could be regarded as normally undertaken by an employee, but internal expertise is not available. Other contractors, however, excludes personnel service expenses (disclosed as a separate line item, per TC15-07) and contractors related to maintenance (disclosed as part of maintenance expense).</p> <p>10. Employees are distinct from contractors as they are engaged under a different set of legal arrangements; e.g. taxation, superannuation and workers' compensation. The distinction between a contractor and employee is based on the relevant employment law categorisation of the payment. Mostly, in the various State and Commonwealth tax legislation, the categorisation of payments is based on the ordinary or common law distinction of employee/contractor, based on case law.</p>
OSR Revenue Ruling PTA 038	<p>11. For example, OSR Revenue Ruling No PTA 038 refers to a number of factors that should be considered in determining whether a worker is an employee, including whether the worker is subject to control and direction, the practical relationship, whether the contract is to achieve a given result, whether the worker is operating an independent business, risk, power to delegate, and the provision of tools and equipment.</p> <p>At a minimum, however, for an employment relationship to exist there must be a contract of service between the worker and the government entity. For this reason, if the contract is with a labour hire entity rather than the worker (i.e. where a labour hire entity is contracted to provide workers to perform work directly for clients and where the client pays the labour hire entity for this work), then a labour hire worker cannot be regarded as an employee of the government entity. Refer Australian Taxation Office: PAYG withholding and labour hire firms</p>

c) Depreciation and amortisation expense

		2019 \$'000	2018 \$'000
AASB 116.75(a)	Depreciation [Specify for each class of depreciable asset]		
AASB 138.118(d)	Amortisation [Specify for each class of asset]		

Refer to Note 15, 16 and 17 for recognition and measurement policies on depreciation and amortisation.

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

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

AASB 108.39, 40

Commentary on depreciation and amortisation expense disclosure	
AASB 116.75(a)	1. Depreciation for each class of depreciable asset is to be disclosed.
AASB 138.118(d)	The line item of the Statement of Comprehensive Income in which any amortisation of intangible assets is included should be disclosed.
AASB 116.73, 75-76	2. AASB 116 requires, among other things, the disclosure of (refer Note 15): <ul style="list-style-type: none"> the depreciation methods and useful lives or the depreciation rates used and

Commentary on depreciation and amortisation expense disclosure	
	<ul style="list-style-type: none"> the accumulated depreciation.
	Depreciation and amortisation – recognition
AASB 116.61 AASB 138.104	3. Assets must be depreciated or amortised over their useful lives and the depreciation or amortisation rate reviewed annually in accordance with AASB 116 and AASB 138. Land is not a depreciable asset.
TPP14-01 AASB 116.G3-G4	In limited instances, heritage assets may not have limited useful lives (because of appropriate curatorial and preservation policies) and are not depreciated.
	Revision of accounting estimates
AASB 108.32 and 34	4. As a result of the uncertainties inherent in business and other activities, many items in financial statements cannot be measured with precision but can only be estimated. Estimates may be required, for example, of the useful lives or expected pattern of consumption of future economic benefits of depreciable assets, of bad debts and inventory obsolescence. An estimate may be revised if there are changes in the circumstances on which the estimate was based or as a result of new information, more experience or subsequent developments.
AASB 108.36	5. The effect of a revision of an accounting estimate must be recognised prospectively by including it as revenue or expense in the Statement of Comprehensive Income in the reporting period in which the accounting estimate is revised, if the revision affects that reporting period only, or in the reporting period of the revision and future reporting periods, if the revision affects both the current and future reporting periods.
AASB 108.39-40 AASB 116.76 AASB 138.121	6. The nature and amount of a revision of an accounting estimate that affects the reported financial performance or financial position of the current or future reporting period(s) must be disclosed in the notes to the financial statements, except where impracticable for future periods. Where impracticable, an entity must disclose that fact.
AASB 108.35	7. Where there are difficulties in distinguishing between a change in an accounting policy and a revision of an accounting estimate, the transaction is treated as a revision of an accounting estimate.

d) Grants and Subsidies

	2019 \$'000	2018 \$'000
[Specify major categories]		

Commentary on grants and subsidies disclosure	
TPP09-3 Interpretation 1038	1. Except in limited circumstances, in the NSW public sector 'grants' have not been designated as contributions by owners under Interpretation 1038 and therefore must be treated as expenses. An exception to this is 'equity appropriations' to fund payments to adjust a for-profit entity's capital structure. For a fuller discussion of this matter, refer to the commentary to Note 3(e).
Treasury Mandates	2. The nature and amounts of major categories of grant and subsidy expenses must be disclosed.

e) Finance costs

	2019 \$'000	2018 \$'000
AASB 7R.20(b) AASB 123.6 AASB 7R.20(b)	Finance lease interest charges	
	Interest expense from financial liabilities not at fair value through profit or loss	
AASB 137.60, 84(e)	Unwinding of discount on provisions	
	[Specify other major categories]	

Recognition and Measurement

AASB 123.5
AASB 123.Aus8.1
Treasury Mandates

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

Commentary on finance costs	
AASB 101.82(b) AASB 7R.20(b) AASB 137.84(e) AASB 137.60	1. Finance lease interest, interest expense, unwinding of the discount rate and other finance costs are to be separately disclosed.
AASB 123.5, 6	2. Finance costs include borrowing costs. AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> provides that the increase in a provision resulting from the unwinding of the discount rate must be recognised as a borrowing cost. Under AASB 123 <i>Borrowing Costs</i> , borrowing costs are interest and other costs incurred in connection with borrowing funds; e.g.: <ul style="list-style-type: none"> • interest expense calculated using the effective interest method as described in AASB 139 (for the comparative period until 30 June 2018) or AASB 9 (from 1 July 2018) • exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs • finance charges in respect of finance leases recognised in accordance with AASB 117
Treasury Mandates	3. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury’s Mandate to not-for-profit NSW GGS entities.

f) Other expenses

		2019 \$'000	2018 \$'000
AASB 101.97	[Specify major categories]		

Commentary on other expenses	
AASB 101.97 AASB 7R.20(c)	1. When items of expense are material, their nature and amount must be disclosed separately. If applicable, this should include fee expense [or income – refer Note 3(h)], other than amounts included in determining the effective interest rate, arising from: <ul style="list-style-type: none"> • financial assets or financial liabilities that are not at fair value through profit or loss and • trust and other fiduciary activities that result in the holding or investing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions.

3. Revenue

Recognition and Measurement

AASB 118.35(a)
AASB 118.9
AASB 1004.11

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

Commentary on revenue	
AASB 118.7 AASB 118.35	1. Revenue is income that arises in the course of ordinary activities of an entity. AASB 118 para 35(b) requires separate disclosure of certain categories of revenue.
AASB 15.C1	2. AASB 15 <i>Revenue from Contracts with Customers</i> is effective from 1 July 2018 to for-profit entities and 1 July 2019 to not-for-profit entities.

a) Appropriations and Transfers to the Crown Entity

Summary of Compliance

		2019 \$'000		2018 \$'000	
		Appro- piation	Expen- diture	Appro- piation	Expen- diture
	Original Budget per Appropriation Act				
	Other Appropriations / Expenditure				
	- Additional Appropriations				
	- Treasurer's Advance				
	- Section 22 PFAA – expenditure for certain works and services				
	- Section 24 PFAA – transfers of functions between entities				
	- Section 26 PFAA – Commonwealth specific purpose payments				
	- Transfers to / from another entity (per Section 27 of the Appropriation Act) [section reference will need to be updated each year]				
	Total Appropriations [Subtotal 2] / Expenditure / Net Claim on Consolidated Fund [Total 1] (includes transfer payments)				
	Appropriation drawn down [Total 3] *				
	Liability for unspent appropriations drawn down [Total 4] (refer Note 25)		A		B
	*Comprising:				
AASB 1050.17	Transfer payments				
	Equity appropriations				
	Appropriations (per Statement of Comprehensive Income)**		C		D
			A		B
AASB 1004.64	**Appropriations:				
	Recurrent				
	Capital				
			C		D

Treasury Mandates	<p>Notes:</p> <ol style="list-style-type: none"> 1. The summary of compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed). 2. If an entity receives an equity appropriation this must also be disclosed in the summary of compliance as part of the appropriation. 3. If there is a 'Liability for unspent appropriations drawn down' (formerly known as 'Liability to Consolidated Fund'), the entity must state that this represents the difference between the 'Amount drawn down against Appropriation' and the 'Expenditure / Net Claim on Consolidated Fund'. 4. In the notes, provide details of any material variations between the total appropriations and actual expenditure / net claim on Consolidated Fund for the year
Treasury Mandates	
Treasury Mandates	
AASB 1004.64(d)	

Recognition and Measurement
Parliamentary appropriations and contributions

AASB 1004.12, 32 Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are recognised as income when the entity obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

TPP09-3 Appropriations are not recognised as income in the following circumstances:

- 'Equity appropriations' to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity.
- Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.
- The liability is disclosed in Note 25 as part of 'Current liabilities - Other'. The amount will be repaid and the liability will be extinguished next financial year. Any liability in respect of transfer payments is disclosed in Note 33 'Administered assets and liabilities'.

Commentary on summary of compliance with financial directives [ENTITIES RECEIVING A DIRECT APPROPRIATION ONLY]	
AASB 1004.32-36 TPP09-3	<p>Parliamentary Appropriations</p> <ol style="list-style-type: none"> 1. In NSW, the Parliamentary appropriations received by an entity must be recognised as income, except as specified below: <ul style="list-style-type: none"> • 'Equity appropriations' used to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections on receipt by the entity and equity withdrawals on payment to a for-profit entity. • Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to Consolidated Fund.
NSW TC18-06	<p>Format and basis of Summary of Compliance</p> <ol style="list-style-type: none"> 2. The summary of compliance discloses the components of the total appropriation (including any 'equity appropriations'), comprising the original appropriations and 'other' appropriations. A column is provided to disclose actual expenditure against each item. The summary discloses the 'Total Appropriations'; 'Expenditure / Net Claim on Consolidated Fund'; 'Amount Drawn Down against Appropriation'; and the 'Liability for unspent appropriations drawn down '. Unlike the financial statements, the summary includes transfer payments.
AASB 1004.64	<ol style="list-style-type: none"> 3. The summary of compliance is a cash (not an accrual) statement. Therefore 'expenditure' refers to cash payments. The term 'expenditure' has been used for payments for consistency with AASB 1004 Contributions.
NSW TC18-06	<p>Pro forma 'Liability for Unspent Appropriations Drawn Down '</p> <ol style="list-style-type: none"> 4. To calculate the 'Liability for unspent appropriations drawn down ', a pro-forma has been developed and must be completed by entities and returned to NSW Treasury by the date specified in the Treasury Circular. The form provides most of the source information required in the summary of compliance. 5. The form is divided into four main sections for both recurrent and capital appropriations: <ol style="list-style-type: none"> A. Net claim on Consolidated Fund: identifies payments made during the financial year that can be met from the Consolidated Fund appropriations. To calculate

Commentary on summary of compliance with financial directives

this amount, entities must start with the relevant cash flow amount from their Statement of Cash Flows.

Net available appropriations: this represents the total appropriations as approved, including all supplementations less any under-expenditure against protected items, first year enhancements, supplementations and Commonwealth funding.

As expenditure is not generally tracked against the source of funds (e.g. user charges as opposed to Consolidated Fund money), this calculation makes the general assumption that Consolidated Fund money is spent first. However, where it is known that certain payments are required to be made from other funding sources, then these must be deducted to derive the 'Net Claim on Consolidated Fund Appropriations'.

Logically, the 'Net Claim on Consolidated Fund ' cannot exceed the 'Net Available Appropriation'. Any excess, therefore, must represent payments that have been met from funding sources other than Consolidated Fund.

Total 1 'Net Claim on Consolidated Fund' is included directly from the form in the summary of compliance. Entities should be able to determine the allocation of 'Expenditure / Net Claim on Consolidated Fund' across the various line items in the summary of compliance. However, if this is not possible, actual expenditure should be first matched with the original appropriation on the 'Appropriation Act' line.

- B. Net available appropriations: this represents the total appropriations as approved, including all supplementations less any under-expenditure against protected items, first year enhancements, supplementations and Commonwealth funding.

Subtotal 2 in this section of the form is included in the summary of compliance as 'Total Appropriations'.

- C. Amount drawn down against appropriations: this amount is recorded in the Treasury ledgers and can be confirmed from the NSW Treasury print-outs that are made available to entities shortly after year end.

Total 3 'Amount drawn down against Appropriation' is included directly from the form in the summary of compliance.

- D. Liability for unspent appropriations drawn down: a liability will only exist where the 'Amount drawn down against Appropriation' exceeds the 'Net Claim on Consolidated Fund', and the liability is the difference between these two amounts.

Total 4 'Liability for unspent appropriations drawn down ' is included directly from the form in the summary of compliance and is the difference between Total 3 and Total 1.

NSW TC18-06

6. To assist entities, the summary of compliance cross-references the totals from the pro forma (e.g. 'Total Appropriations'). The references to these totals (i.e. the words '[Subtotal 2]') should not be included in the summary of compliance published in the entity's financial statements.

Transfer payments

AASB 1050.17

7. The appropriations recognised in the Statement of Comprehensive Income do not include transfer payments. Transfer payments are not controlled by the entity and are therefore not recognised. Gross appropriations (i.e. including transfer payments), are disclosed in the summary of compliance. Refer to Note 8 for further discussion on transfer payments.

Additional disclosures

Treasury Mandates

Treasury Mandates

8. A small number of disclosures are also required below the summary of compliance:
- a statement that the Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first, unless otherwise identified or prescribed.
 - an explanation of how the 'Liability for unspent appropriations drawn down ' is calculated (i.e. the difference between 'Amount drawn down against Appropriation' and 'Expenditure/ Net Claim on Consolidated Fund').
 - AASB 1004 requirement to provide details of any material variations between the 'total' appropriations and actual expenditure for the year.

AASB 1004.64(d)

Treasury Mandates

b) Transfers to the Crown Entity

	2019 \$'000	2018 \$'000
Asset sales proceeds transferred		
Transfers from commercial business unit(s)		
Other transfers [specify]		

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

c) Sale of goods and services

	2019 \$'000	2018 \$'000
AASB 118.35(b)(i)	Sale of goods	
AASB 118.35(b)(ii)	Rendering of services	

Recognition and Measurement

AASB 118.14(a)

Sale of goods

Revenue from sale of goods is recognised as revenue when the entity transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods.

AASB 118.20, 26, 35

Rendering of services

Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

Commentary on sale of goods and services	
AASB 1050.12	1. AASB 118 requires disclosure of user charges recognised as revenue in the Statement of Comprehensive Income. User charges levied by an entity for the sale of goods and rendering of services are to be recognised as revenue when the entity obtains control of the assets that result from them.
AASB 118.35(b)(i) (ii)	
AASB 118.14	2. According to AASB 118, revenue from the sale of goods must be recognised when all the following conditions have been satisfied: <ul style="list-style-type: none"> • The entity has transferred to the buyer the significant risks and rewards of ownership of the goods. • The entity retains neither continuing managerial involvement to the degree normally associated with ownership nor effective control over the goods sold. • It is probable that the economic benefits associated with the transaction will flow to the entity. • The amount of revenue can be measured reliably and • The costs incurred or to be incurred in respect of the transaction can be measured reliably.
AASB 118.20	When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction must be recognised by reference to the stage of completion of the transaction at the reporting date.
AASB 118.35(b)(i) (ii)	3. AASB 118 requires separate disclosure and identification of revenue from sale of goods and revenue from the rendering of services.

Treasury Mandates		2019	2018
AASB 118.35(b)(iii)–(v)		\$'000	\$'000
	d) Investment revenue		
AASB 7.20(b) TPP08-1	Interest income from financial assets not at fair value through profit or loss		
AASB 7R.20(b)	Interest income from financial assets at amortised cost		
AASB 7R.20(b)	Interest income from financial assets at fair value through other comprehensive income		
AASB 7.20(a)(i)	Net gain / (loss) from TCorp IM Funds designated at fair value through profit or loss		
AASB 7R.20(a)(i)	Net gain / (loss) from TCorp IM Funds measured at fair value through profit or loss		
AASB 117.50	Rental income		
AASB 118.35(b)(iv)	Royalties		
AASB 118.35(b)(v)	Dividends		
	[Specify other major categories]		

Recognition and Measurement

Interest income

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

Rental income

AASB 117.50 Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

Royalties

AASB 118.30(b) Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income

AASB 118.30(c) Dividend income is recognised when the entity's right to receive payment has been established.

Commentary on investment revenue

Interest income

- AASB 7R.20(b) 1. AASB 7R requires the separate disclosure of interest income (calculated using the effective interest method) from financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income in accordance with AASB 9.4.1.2A.
- AASB 101.82(a) 2. As a consequential amendment to AASB 101, interest revenue calculated using the effective interest method is required to be separately disclosed in the statement of comprehensive income. However, this is subject to materiality.

Net gain / (loss) from TCorpIM Funds

- AASB 7R.20(a)(i) 3. Net gains / (losses) on financial assets measured at fair value through profit or loss are required to be disclosed, showing separately those designated at fair value through profit or loss, and those mandatorily measured at fair value through profit or loss.
- TPP08-1 TCorpIM Funds were designated at fair value through profit or loss under AASB 139 and TPP08-1 as they are managed and their performance was evaluated on a fair value basis. Under AASB 9, such a business model would mandatorily require them to be measured at fair value through profit or loss.
- AASB 9.B4.1.6

AASB 118.35(b) Treasury Mandates	e) Retained taxes, fees and fines	2019 \$'000	2018 \$'000
	Taxes [Disclose classes of taxes]		
	Fees [Disclose classes of fees]		
	Fines [Disclose classes of fines]		

Commentary on retained taxes, fees and fines revenue	
AASB 118.35(b) Treasury Mandates	AASB 118 requires disclosure of the amount of each significant category of revenue recognised in the Statement of Comprehensive Income.

AASB 1004.12, 15, 60, 62	f) Grants and Other Contributions	2019 \$'000	2018 \$'000
	Contributions of assets [Specify other major categories]		

[Disclose other additional details as required by AASB 1004.60(b- (e))
[Refer also Note 6]

Recognition and Measurement

AASB 1004.12,20 Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received or receivable.

AASB 1004.11,44 Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

Commentary on grants and other contributions revenue	
Interpretation 1038 TPP09-3	1. In NSW, all other contributions such as cash grants (to not-for-profit entities), donations, industry and developer contributions that have not been designated as 'contributions by owners' under Interpretation 1038 are recognised as revenue.
AASB 1004.54-59	2. NSW Treasury designates only certain transfers as a contribution by owners in accordance with Interpretation 1038, including transfers effected by Public Sector Employment and Management Orders (or equivalent Orders under the Government Sector Employment Act 2013), transfers of programs / functions or parts thereof and 'equity appropriations' that fund payments to adjust a for-profit entity's capital structure. 'Restructures of administrative arrangements' that are subject to AASB 1004 must be accounted for as contributions by owners.
	3. However, where an entity is of the view that other contributions are in the nature of a contribution by owners (i.e. equity adjustment), the entity must approach NSW Treasury for designation in accordance with Interpretation 1038 before the date of transfer.
	4. For a transfer to be designated as a contribution by owners, the entity will need to demonstrate that the transfer reflects a Government policy decision to increase or decrease the financial resources of the entity (i.e. the entity's equity).
TPP09-3	5. A capital (cash) grant will continue to be treated as revenue, unless the payment is intended to fund payments to adjust a for-profit entity's capital structure. For example, where a not-for-profit entity receives a cash grant, this must be treated as

Commentary on grants and other contributions revenue	
	<p>revenue rather than equity. This is because not-for-profit entities do not have an established capital structure.</p> <p>Recognition</p>
AASB 1004.12, 20	6. Contributions (other than contributions by owners) are to be recognised as income when the entity obtains control over them, irrespective of whether restrictions or conditions are imposed on the use of the contributions. Further, AASB 1004 provides that income is recognised when all the following conditions are satisfied: the entity obtains control of the contribution or the right to receive the contribution; it is probable that the economic benefits comprising the contribution will flow to the entity; and the amount can be measured reliably.
AASB 1004.28	7. The timing of gaining control over contributed assets (and therefore the associated income) will depend upon the arrangements between the transferor and transferee. Control would normally occur when the grant eligibility criteria have been satisfied or the relevant services have been provided, which may coincide with the date of receipt.
AASB 1004.29	In determining at what point control is obtained, the guidance in AASB 1004 regarding multi-year grant agreements is relevant. The Standard provides that the entity does not control the contributed assets (and therefore should not recognise revenues) until the transferor has a present obligation that is binding. A present obligation only arises when entitlement conditions are satisfied for payment during a particular payment period. The entity does not gain control of assets under a multi-year agreement until it has met eligibility conditions or provided the relevant services.
	Disclosure
AASB 1004.62	8. Disclosure is required of the fair value of goods and services received free of charge, or for nominal consideration, during the financial year.
AASB 1004.60(a)-(d)	9. Entities must separately disclose the amounts, nature and related period of contributions: <ul style="list-style-type: none"> • recognised as income during the reporting period in respect of which expenditure in a manner specified by a transferor contributor had yet to be made as at the reporting date, details of those contributions and the conditions attaching to them; • recognised as income during the reporting period that were provided specifically for the provision of goods or services over a future period; and • recognised as income during the reporting period that were obtained in respect of a future rating or taxing period identified by the local government, GGS or whole of government for the purpose of establishing a rate or tax.
AASB 1004.60(e)	10. Entities must disclose amounts and nature of contributions recognised in a prior reporting period that were obtained in respect of the current reporting period.

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

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

	2019 \$'000	2018 \$'000
Treasury Mandates		
AASB 1004.39, 63(b)		
TC15-09		
AASB 1004.39, 63(b)		
AASB 1004.18(b)		
AASB 101.97		
Superannuation – defined benefit		
Long service leave provision		
Borrowings		
[Specify other major categories]		

Commentary on acceptance by the Crown Entity of employee benefits and other liabilities	
AASB 1004.39	1. On initial incurrence of the liability, the entity should recognise a liability and an expense. When the liability is assumed by the Crown Entity, the entity shall recognise an income equivalent to the liability assumed. See also Note 2(a).

Commentary on acceptance by the Crown Entity of employee benefits and other liabilities	
TC14-05	2. The defined contribution superannuation liability is the responsibility of each entity. It is not assumed by the Crown Entity.
TC18-10	3. The cost of payroll tax on employer superannuation contributions is met by the Crown Entity for certain entities where the Crown Entity meets the employer superannuation contributions.

Treasury Mandates	h) Other Income	2019 \$'000	2018 \$'000
AASB 1004.16, 18(b)	Forgiveness of liabilities		
	Fee income		
AASB 101.97, 98	[Specify other major categories]		

Recognition and Measurement

AASB 117.49, 50	Lease income from operating leases where the entity is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included by the lessor entity in the Statement of Financial Position based on their nature.
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Commentary on other income	
AASB 1004.16 AASB 101.97, 98 Treasury Mandates	On initial incurrence of the liability, the entity should recognise a liability and an expense. When the liability is assumed by the Crown Entity, the entity shall recognise an income equivalent to the liability assumed. See also Note 2(a).

4. Gains / (Losses) on Disposal

Treasury Mandates		2019 \$'000	2018 \$'000
AASB 101.34(a), 98(c)(d) AASB 116.68 AASB 138.113 AASB 140.69 AASB 7.20(a) AASB 7R.20(a)	[Disclose details of the net gain/loss on disposal of relevant classes]		

Commentary on gains / (losses) on disposal	
AASB 101.98(c)(d) AASB 116.68 AASB 138.113 AASB 140.69 AASB 7.20(a) Treasury Mandates	<p>Entities are to disclose the net gain/loss on disposal of certain classes of assets, in accordance with AAS, including:</p> <ul style="list-style-type: none"> • Property, plant and equipment • Intangible assets • Investment properties and • Financial instrument categories, as follows: <ul style="list-style-type: none"> - AASB 139 (for the comparative period ended 30 June 2018) <ul style="list-style-type: none"> ○ Financial assets or liabilities measured at fair value through profit or loss, showing separately those designated as such upon initial recognition and those classified as held for trading ○ Available-for-sale financial assets ○ Held-to-maturity investments ○ Loans and receivables; and ○ Financial liabilities at amortised cost.

Commentary on gains / (losses) on disposal	
AASB 7R.20(a) Treasury Mandates	- AASB 9 (from 1 July 2018) <ul style="list-style-type: none"> ○ Financial assets or liabilities measured at fair value through profit or loss, showing separately those designated as such upon initial recognition and those that are mandatorily measured at fair value through profit or loss ○ investments in equity instruments designated at fair value through other comprehensive income ○ financial assets measured at fair value through other comprehensive income ○ financial assets measured at amortised cost (in addition, disclose the reason for derecognising these financial assets); and ○ Financial liabilities measured at amortised cost.
AASB 7R.20A, AASB 101.82(aa)	

5. Other Gains / (Losses)

	2019 \$'000	2018 \$'000
AASB 136.126(a) AASB 102.36(e) AASB 102.Aus36.1(d) AASB 5.41(c) AASB 101.97	Impairment losses on non-financial assets	
AASB 7.20(e)	Impairment losses on financial assets <i>[only for comparative financial period ended 30 June 2018]</i>	
AASB 7R.20(a) AASB 7.20(a)	Gains / (losses) on financial assets at fair value through profit or loss <i>[excluding TCorpIM Funds which are part of investment revenue]</i>	
AASB 101.97	<i>[Disclose details of other gains/losses of relevant classes]</i>	

Recognition and Measurement

Impairment losses on non-financial assets

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

Property, plant and equipment – Note 15

Intangible assets – Note 17

Commentary on other gains / (losses)	
AASB 5.41 AASB 7.20(a)(e) AASB 136.126(a) AASB 102.36(e) AASB 101.98(a)(f)(g)	1. Entities must disclose material items of gains and losses recognised in the net result, including: <ul style="list-style-type: none"> • Property, plant and equipment revaluations and impairment losses and reversals • Investment properties revaluations fair value gains or losses • Assets held-for-sale • Other gains or losses resulting from each category of financial instrument (other than through disposal) (not otherwise recognised as investment revenue in Note 3(d)) and • Write-down of inventories.
AASB 7R.20(a)	2. AASB 116, AASB 139, AASB 140 and AASB 5 further explain the accounting treatment for revaluation increments and decrements.

6. Conditions on Contributions

AASB 1004.60(a)

[Disclose details of conditions on contributions where applicable]

Commentary on conditions on contributions	
	<p>Fiduciary responsibility</p>
AASB 1004.61	<p>1. Where conditions are placed on contributions, a strong fiduciary responsibility exists for the entity regarding the deployment of those assets. Although those fiduciary responsibilities do not constitute liabilities, information about conditions on contributions is likely to be relevant to the users of the financial statements in assessing the entity's performance and discharge of accountability.</p>
	<p>Other externally-imposed requirements</p>
AASB 1004.64(e)	<p>2. The financial statements must disclose the nature and probable financial effect of any non-compliance by the entity with externally-imposed requirements (in addition to the disclosure requirements relating to parliamentary appropriations) for the financial year which is relevant to the assessments of the entity's performance, financial position or financing and investing activities. Examples may be non-compliance with grant conditions or other external factors such as environmental and safety requirements.</p>

7. Prior Period Errors

AASB 108.41-49c

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

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

Commentary on Prior Period Errors

entity restates items retrospectively in its financial statements; e.g. the correction of an error.

8. Transfer Payments

AASB 1050.22

[Disclose broad categories of recipients and amounts transferred]

Commentary on transfer paymentsAASB 1050.17, 20
Treasury Mandates

1. Transfer payments are defined as amounts received by government entities for transfer to eligible beneficiaries consistent with the parameters established by legislation or other authoritative requirements. They are not controlled by the entity. NSW Treasury extends the disclosure requirement to all NSW GGS entities. Examples of transfer payments may include grants and subsidies received on behalf of other entities which are not controlled by the entity.

AASB 1050.23

2. In some cases, it may not be clear whether the entity controls the amounts to be transferred to eligible beneficiaries; e.g. where amounts are appropriated to entities for subsequent transfer but the entity can exercise significant discretion in respect of the amount or timing of payment, the identity of beneficiaries and the conditions under which the payments are to be made. In such cases, preparers of financial statements will need to use their judgement in deciding whether the entity controls the amounts to be transferred.

AASB 1050.21

3. While transfer payments do not qualify for recognition in the financial statements, information about their nature and amount will be relevant for the assessment of the entity's performance.

AASB 1050.22

4. Relevant details of the broad categories of recipients and the amounts transferred to those recipients are to be reported in the notes. This note disclosure is expected to affect only a few entities in New South Wales.

9. Program group statements for the year ended 30 June 2019

AASB 1052.15(a)

Treasury Mandates

AASB 1052.15(c)

AASB 1052.15(d)

	Program Group 1*		Program Group 2*		Not Attributable		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ENTITY'S EXPENSES & INCOME	<hr/>							
Expenses excluding losses	<hr/>							
Employee related expenses								
Operating expenses								
Depreciation and amortisation								
Grants and subsidies								
Finance costs								
Other expenses								
Total expenses excluding losses	<hr/>							
Revenue**	<hr/>							
Appropriation								
(Transfers to the Crown Entity)								
Sale of goods and services								
Investment revenue								
Retained taxes, fees and fines								
Grants and other contributions								
Acceptance by the Crown Entity of employee benefits and other liabilities								
Other income								
Total revenue	<hr/>							
Operating result	<hr/>							
Gains / (losses) on disposal								
Impairment losses on financial assets								
Net gains / (losses) from the derecognition of financial assets measured at amortised cost								
Other gains / (losses)								
Net result from continuing operations	<hr/>							
Net result from discontinued operations								
Net result	<hr/>							
Other comprehensive income	<hr/>							
<i>Items that will not be reclassified to net result in subsequent periods</i>								
Changes in revaluation surplus of property, plant and equipment								
Changes in revaluation surplus arising from changes in restoration liability								
Net gains / (losses) on equity instruments at fair value through other comprehensive income								
Others [specify]								

AASB 1052.15(a)

9. Program group statements for the year ended 30 June 2019

Treasury Mandates

	Program Group 1*		Program Group 2*		Not Attributable		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ENTITY'S EXPENSES & INCOME	<hr/>							
<i>Items that may be reclassified to net result in subsequent periods</i>								
Debt instruments at fair value through other comprehensive income								
- Net gains / (losses) during the period								
- Reclassified to net result								
Available-for-sale financial assets								
- Net gains / losses during the period								
- Reclassified to net result								
Others [specify]								
Total other comprehensive income	<hr/>							
TOTAL COMPREHENSIVE INCOME	<hr/> <hr/>							

* The names and purposes of each program group are summarised below.

** Appropriations are made on an entity basis and not to individual program groups. Consequently, appropriations must be included in the 'Not Attributable' column. Cluster grant funding is also unlikely to be attributable to individual program groups.

The names and purposes of each program group are summarised below.

NSW Treasury

Treasury Mandates
AASB 1052.16

	Program Group 1*		Program Group 2*		Not Attributable		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets								
Cash and cash equivalents								
Receivables								
Inventories								
Financial assets at fair value								
Other financial assets								
Other current assets								
Non-current assets held-for-sale								
Total current assets								
Non-current Assets								
Receivables								
Inventories								
Financial assets at fair value								
Other financial assets								
Property, plant and equipment								
Investment property								
Intangible assets								
Other non-current assets								
Total non-current assets								
TOTAL ASSETS								
Current liabilities								
Payables								
Borrowings								
Provisions								
Other current liabilities								
Liabilities associated with assets held-for-sale								
Total current liabilities								
Non-current liabilities								
Borrowings								
Provisions								
Other non-current liabilities								
Total non-current liabilities								
TOTAL LIABILITIES								
NET ASSETS								

The names and purposes of each program group are summarised below.

NSW Treasury

	ADMINISTERED EXPENSES & INCOME	Program Group 1*		Program Group 2*		Not Attributable		Total	
		2019	2018	2019	2018	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Treasury Mandates	Administered Expenses								
AASB 1050.7(b)	Transfer payments								
	Other								
	Total Administered Expenses								
AASB 1050.7(a)	Administered Income								
	Transfer receipts								
	Consolidated Fund								
	• Taxes, fees and fines								
	• Other								
	Total Administered Income								
	Administered Income less Expenses								

The names and purposes of each program group are summarised below.

Administered assets and liabilities are disclosed in Note 33.

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

Commentary on Program Group Statements	
AASB 1050.24	<ul style="list-style-type: none"> in respect of each of those classes of expenses and income, the amounts that can be attributed to each of the entity's activities and the amounts that cannot be attributed.
Treasury Mandates	10. Administered expenses and income must be reported on the same basis as the entity in terms of the recognition of expenses and income in the financial statements.
AASB 1050.7(c)(d)	11. For entities that may not be required to present program group statements, the summary of the administered expenses and income must be produced as a note.
Treasury Mandates	12. Administered assets and liabilities must also be disclosed, showing separately each major class of asset / liability. Please refer to Note 33 for disclosure of administered assets and liabilities.
Comparative amounts	
AASB 101.41 - 42	<p>13. When the presentation or classification of items in the financial statements is amended, an entity shall reclassify comparative amounts unless the reclassification is impracticable. When comparative amounts are reclassified, the entity shall disclose (including as at the beginning of the preceding period) the:</p> <ul style="list-style-type: none"> nature of the reclassification amount of each item or class of items that is reclassified and reason for the reclassification. <p>When it is impracticable to reclassify comparative amounts, an entity shall disclose the:</p> <ul style="list-style-type: none"> reason for not reclassifying the amounts and nature of the adjustments that would have been made if the amounts had been reclassified.
TPP09-3 Treasury Mandates	14. Comparative information for the program group statements is not required in the first financial report of a new entity, or in relation to functions transferred in to an ongoing entity during the reporting period. However, certain comparative information in regard to the former entity and transferred function is required elsewhere in the notes to the financial statements as a result of TPP09-03.

AASB 1052.15(a)
AASB 1004.57
Treasury Mandates

Program Groups Descriptions

- a) **Program Group 1** [specify name]
Purpose: [specify]
[Disclose details of program group transfers, where applicable]
- b) **Program Group 2** [specify name]
Purpose: [specify]
[Disclose details of program group transfers, where applicable]
- c) **Program Group 3** [specify name]
Purpose: [specify]
[Disclose details of program group transfers, where applicable]

Commentary on program groups descriptions	
Identity and purpose of program groups	
AASB 1052.15(a) Treasury Mandates	1. AASB 1052 requires disclosure, in summarised form, of the identity and purpose of each major activity undertaken by the entity during the financial year. AASB 1052 applies to government departments. Treasury Mandates extends program group disclosure requirements to all other NSW GGS entities, where program group information is included in the Budget Papers.
Transfer of program groups	
AASB 1004.57	2. Where program groups are transferred from one entity to another as a result of administrative restructuring, the transferee entity shall disclose the expenses and income attributable to the transferred program groups for the reporting period, showing separately those expenses and items of income recognised by the transferor during the reporting period. If this disclosure would be impracticable, the entity shall disclose this fact, together with an explanation of why this is the case.
AASB 1004.58	3. For each material transfer, the assets and liabilities transferred as a consequence of a restructure of administrative arrangements during the reporting period shall be

Commentary on program groups descriptions					
TPP09-3	disclosed by class, and the counterparty entity shall be identified. Where transfers are individually immaterial, the assets and liabilities transferred shall be disclosed on an aggregate basis. Refer Note 26.				
TPP09-3	<p>4. NSW Treasury's policy requires more detailed disclosures than AASB 1004. The notes to the financial statements of transferee entities are to disclose the following information for accountability and comparability for each transferred function or program group:</p> <ul style="list-style-type: none"> The Statement of Comprehensive Income for each transferred activity / program group for the whole period, showing separately those expenses and revenues recognised by the transferor entity up to the date of transfer Comparative figures for the transferred function or program group The summary of significant accounting policies note of the transferee entity must briefly articulate the policy for recognising the restructure, including details / amounts of assets and liabilities transferred (per AASB 1004.58) and, where applicable, adjustments to the value of assets and liabilities as a result of the transfer. <p>5. Where statutory financial statements are required, the transferor entity must briefly articulate the policy for recognising the restructure, including details / amounts of assets and liabilities transferred (consistent with AASB 1004.58) and where applicable, adjustments to the value of assets and liabilities as a result of the transfer.</p>				
TPP09-3	<p>6. NSW Treasury's policy requires that for any other equity transfer: i.e. involving transfers of parts of program groups / functions etc., the transferor and transferee entity should, as a minimum, briefly articulate in its disclosure of significant accounting policies, the policy for recognising the equity transfer, including details / amounts of assets and liabilities transferred (consistent with AASB 1004.58) and, where applicable, adjustments to the value of assets and liabilities as a result of the transfer.</p> <p>7. Example disclosure - transfer of program groups (excluding summary of significant accounting policies note)</p>				
AASB 1004.57 TPP09-3	<p>Note disclosure for Entity B</p> <p>Program Group X was transferred from Entity A to Entity B as a consequence of a restructuring of administrative arrangements with effect from [date]. The following summarises the expenses and income, recognised by Entity A (up to date of transfer) and Entity B (from date of transfer to year end) for the reporting period. Refer Note 26 for details regarding transferred assets and liabilities.</p>				
		Entity A	Entity B		
		Program	Program		
		Group X	Group X		
		1 July to	[transfer	2019	2018
		[transfer	date] to	Program	Program
		date]	30 June	Group X	Group X
	Expenses excluding losses				
	Employee related				
	Operating expenses				
	Depreciation and amortisation				
	Grants and subsidies				
	Finance costs				
	Other expenses				
	Total expenses excluding losses				
	Revenue				
	Appropriation				
	(Transfers to the Crown Entity)				
	Sale of goods and services				
	Investment revenue				
	Retained taxes, fees and fines				
	Grants and other contributions				
	Acceptance by the Crown Entity of				
	employee benefits and other liabilities				
	Other income				
	Total revenue				
	Operating result				

Commentary on program groups descriptions				
	Entity A Program Group X 1 July to [transfer date]	Entity B Program Group X [transfer date] to 30 June	2019 Program Group X	2018 Program Group X
Gains / (losses) on disposal				
Impairment losses on financial assets				
Net gains / (losses) from the derecognition of financial assets measured at amortised cost				
Other gains / (losses)				
Net result from continuing operations				
Net result from discontinued operations				
Net result				
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation surplus of property, plant and equipment				
Changes in revaluation surplus arising from changes in restoration liability				
Net gains / (losses) on equity instruments at fair value through other comprehensive income				
Others [specify]				
<i>Items that may be reclassified to net result in subsequent periods</i>				
Debt instruments at fair value through other comprehensive income				
- Net gains / (losses) during the period				
- Reclassified to net result				
Available-for-sale financial assets				
- Net gains / (losses) during the period				
- Reclassified to net result				
Others [specify]				
Total other comprehensive income				
TOTAL COMPREHENSIVE INCOME				
Discontinued operations				
AASB 5 Aus.2.1	8. In limited instances, additional disclosures to those discussed above will be required by the transferor regarding 'discontinued operations' (see AASB 5). AASB 5 does not apply to administrative restructures subject to AASB 1004. However, the Standard may affect entities, for example, where there is a transfer of an operation at nil consideration involving a for-profit statutory authority / PNFC, where it meets the definition of a discontinued operation.			
TPP09-3				
AASB 5.App A	A 'discontinued operation' means a component of an entity that has been disposed of or is classified as held for sale and: <ul style="list-style-type: none"> • represents a separate major line of business or geographical area of operations • is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or • is a subsidiary acquired exclusively with a view to resale. 			

10. Current Assets – Cash and Cash Equivalents

	2019 \$'000	2018 \$'000
Cash at bank and on hand		
Short-term deposits		
[Specify other major categories]		

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

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

	2019 \$'000	2018 \$'000
Cash and cash equivalents (per Statement of Financial Position)		
Bank overdraft		
[Specify other adjustments where applicable]		

Refer Note 34 for details regarding credit risk and market risk arising from financial instruments.

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

11. Current / Non-Current Assets – Receivables

AASB 101.78(b) AASB 7R.6 AASB 7.6		2019 \$'000	2018 \$'000
Treasury Mandates	Sale of goods and services		
Treasury Mandates	Retained taxes, fees and fines		
	Less Allowance for expected credit losses*		
	Less Allowance for impairment**		
AASB 101.78(b)	Prepayments [Specify other major categories]		
AASB 7R.35H AASB 7R.42P	<i>*Movement in the allowance for expected credit losses</i> Balance at 30 June 2018 under AASB 139 Amounts restated through opening accumulated funds Balance at 1 July 2018 under AASB 9		
AASB 7R.35I	Amounts written off during the year		
AASB 7R.35I	Amounts recovered during the year		
AASB 7R.20(a)(iv)	Increase/(decrease) in allowance recognised in net results Balance at 30 June 2019		
AASB 7.16	<i>**Movement in the allowance for impairment</i> Balance at 1 July 2017 Amounts written off during the year Amounts recovered during the year		
AASB 7.20(a)(iv)	Increase/(decrease) in allowance recognised in net result Balance at 30 June 2018		
AASB 7R.36 AASB 7.36 AASB7.21	Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 34. Recognition and Measurement		
AASB 9.3.1.2 AASB 139.38 AASB 7.B5(c) Treasury Mandates	All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.		
AASB 9.5.1.1 AASB 139.43 AASB 9.5.1.3	Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.		
AASB 9.4.1.2 AASB 9.5.4.1	Subsequent measurement under AASB 9 (from 1 July 2018) The entity holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.		

Subsequent measurement under AASB 139 (for comparative period ended 30 June 2018)AASB 139.46(a)
AASB 139.56

Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment under AASB 9 (from 1 July 2018)

AASB 9.5.5.1

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

AASB 9.5.5.15
AASB 9.B5.5.35
Treasury Mandates

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

Impairment under AASB 139 (for comparative period ended 30 June 2018)

AASB 139.58

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

AASB 139.63, 64

The entity first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

AASB 139.AG84

AASB 139.63

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

AASB 139.65

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Commentary on Receivables**Classification and Measurement under AASB 9 (from 1 July 2018)**

AASB 9.4.1.1

1. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Under AASB 9, the classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

AASB 9.B4.1.2

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

AASB 9.4.1.2

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

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

AASB 9.4.1.3(a)

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

Commentary on Receivables	
AASB 9.4.1.2 AASB 9.5.4.1	<p>3. Agencies usually hold receivables with the objective to collect the contractual cash flows and therefore measure them subsequently at amortised cost using the effective interest method.</p> <p>4. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.</p>
AASB 139.9	<p>Classification and Measurement under AASB 139 (comparative period only)</p> <p>5. Normal trade receivables that are not quoted in an active market will typically be classified as 'loans and receivables' in accordance with AASB 139.</p>
AASB 139.43, 43A, 46(a), 58, 63, AG76	<p>6. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. If the fair value on initial recognition differs from the transaction price, the entity must apply AASB 139.AG76.</p> <p>7. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.</p>
Interpretation 1031	<p>Goods and Services Tax</p> <p>1. Receivables and payables must be stated with the amount of GST included. This also includes accruals. Accruals form part of 'receivables' and 'payables' and should be treated similarly. That is, where an accrual is made, it should include GST, even though a tax invoice may not have been received. This is because an event or transaction has occurred that will give rise to GST payable / receivable in the future.</p> <p>2. The net amount of GST recoverable from or payable to the taxation authority must be included as part of receivables or payables.</p>
Treasury Mandates AASB 9.5.5.15(a)(ii)	<p>Impairment under AASB 9 (from 1 July 2018)</p> <p>8. NSW Treasury mandates the use of the simplified approach in AASB 9 to recognise a loss allowance for expected credit losses on all trade receivables, including those containing a significant financing component.</p>
Treasury Mandates AASB 9.B5.5.35	<p>9. NSW Treasury mandates the application of the practical expedient to calculate expected credit losses on trade receivables using a provision matrix. In practice, many agencies already use a provision matrix to calculate their current impairment allowances on trade receivables. However, in order to comply with the AASB 9 requirements, agencies would need to consider how current and forward-looking information might affect their customers' historical default rates and, consequently, how the information would affect their current expectations and estimates of expected credit losses.</p>
AASB 9.B5.5.35	<p>10. For example, agencies may consider gross domestic product and the unemployment rate as macroeconomic factors affecting the ability of the customers to settle the receivables. The historical loss rates may be adjusted based on expected changes in these factors. At every reporting date, the historical observed default rates should be updated and changes in the forward-looking estimates should be analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.</p> <p>Note that the agencies' historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.</p>
AASB 7R.35H	<p>11. Revised AASB 7 requires an entity to disclose by class of financial instrument, a tabular reconciliation of the loss allowance from the opening balance to the closing balance. The reconciliation should include amounts representing the changes in the gross carrying amount of financial instruments that contributed to the changes in the loss allowance (for example, origination or acquisition of assets and write-offs)</p>
AASB 139.58-70	<p>Impairment under AASB 139 (comparative period only)</p> <p>12. AASB 139 requires that all financial assets, except those measured at fair value through profit and loss, must be subject to an annual review for impairment. Impairment losses are incurred only if there is objective evidence of impairment arising from events that impact on the estimated future cash flows of the financial asset or group of financial assets.</p>
Treasury Mandates	<p>Disclosure</p> <p>13. The notes are to disclose receivables, distinguishing between sale of goods and services, retained taxes, fees and fines, prepayments and other major categories of receivables (e.g. personnel services receivable for entities providing personnel</p>

Commentary on Receivables	
AASB 101.78(b) TC15-07	<p>services per TC15-07). Any allowance for impairment of receivables is to be shown as a deduction. The current and non-current portions of receivables are to be separately disclosed.</p> <p>This requirement has not changed under AASB 9 and AASB 7R.</p>
AASB 7R.8 AASB 7.8	<p>14. The carrying amounts for each of the categories of financial instruments under AASB 9 and AASB 139, as applicable, must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements. Refer Note 34.</p>
AASB 7.16	<p>15. Under AASB 139, when receivables are impaired either on an individual or collective basis. The entity records the impairment in a separate account (e.g. an allowance account used to record individual impairments or a similar account used to record a collective impairment of assets) and it must disclose a reconciliation of changes in that account during the period for each class of financial assets.</p>
AASB 7.37(b)	<p>16. At the end of the reporting period, an entity should also disclose the amount of the financial assets that are individually determined to be impaired, including the factors the entity considered in determining that they are impaired.</p>
Reclassification under AASB 9 (from 1 July 2018)	
AASB 9.4.4.1	<p>17. The following are the general requirements on reclassification:</p> <ul style="list-style-type: none"> • In the rare circumstances when an entity changes its business model for managing financial assets, it must reclassify all impacted financial assets according to the basic classification and measurement criteria discussed earlier. • An entity cannot reclassify financial liabilities. <p>In general, reclassifications of financial assets are accounted for prospectively under AASB 9, i.e., they do not result in restatements of previously recognised gains, losses or interest income.</p>
AASB 7R 12B-12D	<p>If the entity has reclassified a financial asset in or out of amortised cost, additional disclosures are required under AASB 7R.</p>
Reclassification under AASB 139 (comparative period only)	
AASB 7.12-12A	<p>18. If the entity has reclassified a financial asset as one measured at cost or amortised cost rather than at fair value or at fair value, rather than at cost or amortised cost, it must disclose the amount reclassified into and out of each category and the reason for that reclassification (see paras 51-54 of AASB 139).</p> <p>If the entity has reclassified a financial asset out of the fair value through profit or loss category in accordance with paragraph 50B or 50D of AASB 139 or out of the available-for-sale category in accordance with paragraph 50E of AASB 139, it must make additional disclosures under AASB 7, including the amount reclassified. Few entities are expected to be impacted.</p>

12. Current / Non-Current Assets – Inventories

AASB 101.78(c) AASB 102.36(b) AASB 102.Aus36.1	2019 \$'000	2018 \$'000
<i>Held-for-distribution</i> [Specify category - at cost or current replacement cost]		
<i>Held-for-resale</i> [Specify category – at cost or net realisable value]		

Recognition and Measurement

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

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower

than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the [weighted average cost or 'first in first out'] method.

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

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

Commentary on inventories	
AASB 102.36, Aus36.1(b)	1. Entities are to classify inventories into major categories relevant to the entity's operations, e.g. raw materials, work in progress, finished goods, land and buildings (classified as either held for distribution or held for resale). Examples of other inventories include: publications, books and medical supplies. The current and non-current portions are to be separately disclosed.
AASB 102.Aus6.1	2. In respect of not-for-profit entities, inventories held for distribution are assets: <ul style="list-style-type: none"> • held for distribution; • in the process of production for distribution; or • in the form of materials or supplies to be consumed in the production process or in rendering services at no or nominal consideration.
AASB 102.Aus36(c)-(f) AASB 102.Aus36.1(c)-(h)	3. Entities should also disclose the following, where applicable: <ul style="list-style-type: none"> • the amount of inventories held for distribution recognised as an expense during the period; • the amount of any write-down of inventories held for distribution recognised as an expense in the period; • the amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories held for distribution recognised as expense; • the circumstances or events that led to the reversal of a write-down of inventories held for distribution; • the carrying amount of inventories held for distribution pledged as security for liabilities; and • the basis on which any loss of service potential of inventories held for distribution is assessed, or the bases when more than one basis is used.

13. Current / Non-Current– Financial Assets at Fair Value

AASB 7R.6
 AASB 7.6
 Treasury Mandates

	2019 \$'000	2018 \$'000
Derivatives		
[Disclose per type of derivative]		
TCorp IM Funds [specify facility]		
Investment in debt financial assets		
[Disclose per type of debt financial assets]		
Allowance for expected credit losses*		
Allowance for impairment**		
Investment in equity shares		
Listed shares		
Non-listed shares		
[Specify other major categories]		

AASB 7R.35H	<i>*Movement in the allowance for expected credit losses</i>	
AASB 7R.42P	Balance at 30 June 2018 under AASB 139	_____
	Amounts restated through opening accumulated funds	
	Balance at 1 July 2018 under AASB 9	
	Increase/(decrease) in allowance recognised in net results	_____
	Balance at 30 June 2019	_____
AASB 7.16	<i>**Movement in the allowance for impairment</i>	
	Balance at 1 July 2017	
	Increase/(decrease) in allowance recognised in net results	_____
	Balance at 30 June 2018	_____

Refer to Note 34 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and Measurement

AASB 9.3.1.2
AASB 7R.B5(c)
AASB 139.38
Treasury Mandates

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

Classification and measurement under AASB 9 (from 1 July 2018)

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

AASB 9.5.1.1
AASB 9.B5.2.2

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

[Include below if relevant]

Financial assets at fair value through other comprehensive income

AASB 9.4.1.2A

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

AASB 9.5.7.10
AASB 9.5.7.11

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

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

[Include if applicable]

AASB 9.4.1.4
AASB 9.5.7.5

The entity has elected to classify irrevocably its equity investments [describe the nature of investments] as designated at fair value through other comprehensive income, that would otherwise be measured at fair value through profit or loss. These equity investments meet the definition of equity instruments under AASB 132 Financial Instruments: Presentation and are not

held for trading. The classification is determined on an instrument-by-instrument basis.

AASB 7R.11A(a)(c)	<p><i>The following equity investments have been designated at fair value through other comprehensive income:</i></p> <p><i>[List equity securities and their respective fair value]</i></p>
AASB 7R.11A(b)	<p><i>[Disclose reason for designation, dividends and any transfer of cumulative gain / (loss) within equity at disposal, if any]</i></p>
AASB 9.B5.7.1	<p><i>Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as income under 'investment revenue' when the right of payment has been established.</i></p> <p><i>Financial assets at fair value through profit or loss</i></p>
AASB 9.4.1.4 AASB 9.5.7.1	<p>Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.</p>
AASB 9.Appendix A	<p>Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.</p>
AASB 9.4.1.4	<p>Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.</p>
AASB 9.B4.1.6	<p>Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.</p>
AASB 9.4.1.5	<p>A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses), except for TCorpIM Funds that are presented in 'investment revenue' in the period in which it arises.</p>
AASB 9.5.7.1	<p><i>Classification and measurement under AASB 139 (for comparative period ended 30 June 2018)</i></p> <p>The entity classified its financial assets at fair value either as financial assets at fair value through profit or loss or available-for-sale financial assets. The classification was based on the purpose of acquiring such financial assets.</p> <p><i>Financial assets at fair value through profit or loss</i></p>
AASB 139.9 AASB 139.46 AASB 139.AG14 AASB 139.55(a)	<p>Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are initially and subsequently measured at fair value. Gains or losses on these assets are recognised in the net result for the year. Financial assets are classified as 'held-for-trading' if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments under AASB 139.</p>
AASB 139.9(b)(ii) TPP08-1	<p>The TCorpIM Funds are designated at fair value through profit or loss as these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the entity's key management personnel.</p> <p><i>[Explain how designation at fair value through profit or loss is consistent with the entity's documented risk management strategy.]</i></p>

The movement in the fair value of the TCorpIM Funds incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

[Include below if relevant]

Available-for-sale financial assets

AASB 139.9
AASB 139.45(d)

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Other financial assets that do not fall into any other category are also accounted for as available-for-sale financial assets and are initially measured at fair value plus transaction costs and subsequently measured at fair value. Gains or losses on available-for-sale financial assets are recognised in other comprehensive income until disposed or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in the net result for the year. However, interest calculated using the effective interest method and dividends are recognised in the net result for the year.

[Include below if relevant]

Impairment

Impairment of financial assets at fair value through other comprehensive income under AASB 9 from 1 July 2018

AASB 9.5.5.1

The entity recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

AASB 9.5.5.3
AASB 9.5.5.5

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

AASB 9.5.5.11
AASB 7R.35F(a)(ii)

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

AASB 7R.35F(a)
AASB 7R.35G(a)(ii)
AASB 9.B5.5.22-27
AASB 9.5.5.5
AASB 9.5.5.3

AASB 9.B5.5.23

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

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

Impairment of available-for-sale financial assets under AASB 139 (for the comparative period ended 30 June 2018)

AASB 139.58	<i>Available-for-sale financial assets are subject to an annual review for impairment.</i>
AASB 139.67 AASB 139.68	<i>In the case of debt instruments classified as available-for-sale financial assets, these are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The amount of the cumulative loss is reclassified from equity to the net result as a reclassification adjustment, measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result.</i>
AASB 139.70	<i>If, in a subsequent year, the amount of the estimated impairment loss increases or decreases, the previously recognised cumulative impairment loss is adjusted. If a write-off is later recovered, the recovery is recorded in the net result.</i>
AASB 139.58 AASB 139.61 AASB 139.67-68	<i>In the case of equity investments classified as available-for-sale financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the net result – is removed from other comprehensive income and recognised in the net result. Impairment losses on equity investments are not reversed through the net result; increases in their fair value after impairment are recognised in other comprehensive income.</i>

Commentary on Financial Assets at Fair Value

Classification and measurement under AASB 9 (from 1 July 2018)

AASB 9.4.1.1	1. Under AASB 9, the classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.
AASB 9.B4.1.2	Business model for managing financial assets refers to how an entity manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.
AASB 9.4.1.2A	2. The following are the classification criteria for financial assets at fair value: <ul style="list-style-type: none"> • Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest (SPPI), are measured at fair value through other comprehensive income. • Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.
AASB 9.4.1.4	
AASB 9.4.1.3(a)	3. For the purposes of applying the SPPI test, 'the principal' is described as 'the fair value of the financial asset at initial recognition' and may change over the life of the financial asset, as there are repayments of principal and/or unwinding of any premium or discount on acquisition.
AASB 9.4.1.5	4. An entity may irrevocably designate a debt financial asset as measured at fair value through profit or loss on initial recognition. This is allowed if doing so eliminates, or significantly reduces, a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch').
AASB 9.4.2.2 AASB 9.B4.1.6	The presence of an accounting mismatch is the only situation in AASB 9 in which the fair value 'election' is available for debt financial assets. This is because financial assets that are managed on a fair value basis and most financial assets with an embedded derivative (which gives rise to cash flows that fail the SPPI test) are required by default to be measured at fair value through profit or loss.
Treasury Mandates	Designation of debt financial assets at fair value through profit or loss requires Treasury approval.

Commentary on Financial Assets at Fair Value	
AASB 9 App A	5. A financial asset is classified as 'held for trading' if it is: <ul style="list-style-type: none"> acquired or incurred principally for the purpose of selling or repurchasing it in the near term part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking or a derivative (except for a derivative that is a designated and effective hedging instrument).
AASB 9.4.3.1	6. An embedded derivative is part of a combined instrument that includes both a derivative and a non-derivative host contract. It causes the cash flows of the host contract to be modified based on a variable such as an interest rate or commodity price. Under AASB 9, financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.
AASB 9.4.3.2 AASB 9.4.3.3	Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.
AASB 9.5.7.5	7. An entity may irrevocably designate an equity instrument as measured at fair value through other comprehensive income on initial recognition. This is allowed when asset is not held for trading or contingent consideration in a business combination. Under this option, only qualifying dividends are recognised in net results. Changes in fair value are recognised in other comprehensive income and never reclassified to net results, even if the asset is impaired, sold or otherwise derecognised.
AASB 9.B5.7.1	8. Designation of equity instruments at fair value through other comprehensive income requires Treasury approval. Treasury believes that such designations should only be made in exceptional circumstances i.e. where they are medium to long-term strategic investments.
Treasury Mandates	9. An entity that decides to designate an equity investment at fair value through other comprehensive income will have to disclose the reasons for doing this as well as the fair value of each investment. Dividends recognised during the period from those investments derecognised during the period and those outstanding at year end should be separately disclosed. A separate disclosure of any transfers of cumulative gain or loss within equity as well as the reason for those transfers are required.
AASB 7R.11A	10. If an entity derecognised investments in equity instruments measured at fair value through other comprehensive income during the reporting period, it shall disclose: <ul style="list-style-type: none"> the reasons for disposing of the investments. the fair value of the investments at the date of derecognition the cumulative gain or loss on disposal.
AASB 7R.11B	11. All investments in equity instruments and contracts on those instruments must be measured at fair value. However, there are limited circumstances where cost may provide an appropriate estimate of fair value. Examples - (a) insufficient more recent information to measure fair value; or (b) cost represents the best estimate of fair value within a wide range of possible fair value measurements.
AASB 9.B5.2.3	Indicators that cost might not be representative of fair value include:
AASB 9.B5.2.4	<ul style="list-style-type: none"> significant change in the performance of the investee compared with budgets, plans or milestones; changes in expectations that the investee's technical product milestones will be achieved; a significant change in the market for the investee's products, global economy, economic environment in which the investee operates; performance of competitors, matters such as fraud, commercial disputes, litigation, changes in management or strategy; or evidence of external transactions in the investee's equity.
AASB 139.46, 55	Classification and measurement under AASB 139 (for comparative period only) 12. AASB 139 requires financial assets classified or designated at 'fair value through profit or loss' (including 'assets held for trading') and 'available-for-sale' assets to be valued at fair value. Changes in fair value for available-for-sale assets are recognised directly in equity, until impaired or disposed, while financial assets 'at fair value through profit or loss' are recognised directly in net results.

Commentary on Financial Assets at Fair Value	
AASB 139.9	<p>13. A financial asset is classified as 'held for trading' if it is:</p> <ul style="list-style-type: none"> • acquired or incurred principally for the purpose of selling or repurchasing it in the near term • part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking or • a derivative (except for a derivative that is a designated and effective hedging instrument). This also includes embedded derivatives, where required to be separated from the host contract (refer AASB 139 para 11-13).
AASB 139.11-13 AASB 139 AG27-33B	<p>14. An embedded derivative is required to be separated and recorded at fair value, with gains and losses taken through profit and loss, if and only if:</p> <ul style="list-style-type: none"> • the economic substance and risks of the embedded derivative are not closely related to the economic substance and risks of the host contract • it would otherwise meet the definition of a derivative on a stand-alone basis and • the combined instrument is not measured at fair value with changes in fair value recognised in profit or loss.
TPP08-1 AASB 139.9	<p>15. An entity may designate a financial instrument at 'fair value through profit or loss', in limited circumstances, where:</p> <ul style="list-style-type: none"> • it satisfies the AASB 139 fair value option i.e. there is an accounting mismatch or it is managed and evaluated on a fair value basis • the entity determines it is appropriate for its operations (e.g. NSW TCorp) and • it is approved by NSW Treasury (except for designation of TCorp IM Funds – refer below).
TPP08-1	<p>16. NSW Treasury's Financial Instruments Policy, prepared under AASB 139, required that all entities designate TCorp IM Funds at 'fair value through profit or loss', if not otherwise classified as 'held for trading'. Movements in the TCorpIM Funds (including distributions) must be recognised as 'investment revenue' Note 3(d).</p>
AASB 139.9 TPP08-1	<p>17. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or that are not classified as:</p> <ul style="list-style-type: none"> • loans and receivables • held-to-maturity investments or • financial assets at fair value through profit or loss. <p>Designation as 'available-for-sale' requires NSW Treasury approval – refer NSW Treasury's Financial Instruments Policy TPP08-1.</p>
AASB 139.46(c)	<p>18. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured must be measured at cost.</p>
	<p>Impairment of financial assets at fair value through other comprehensive income under AASB 9 (from 1 July 2018)</p>
Treasury Mandates AASB 9.5.5.10	<p>19. NSW Treasury mandates the use of the low credit risk simplification. Under this approach, if a financial instrument has a low credit risk, an entity is allowed to assume that no significant increases in credit risk have occurred at the reporting date.</p> <p>The low credit risk concept is intended to provide relief from tracking changes in the credit risk of high quality financial instruments.</p>
AASB 9.B5.5.22-24	<p>20. The standard states that a financial instrument is considered to have low credit risk if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily reduce the ability of the borrower to fulfil its contractual cash flow obligations. However, collateral does not influence whether a financial instrument has a low credit risk.</p> <p>21. The description of low credit risk is broadly equivalent to what rating agencies define as 'investment grade' quality assets. This is equivalent to or better than a rating of BBB- by Standard & Poor's and Fitch or Baa3 for Moody's. Nevertheless, it is important to emphasise that the default rates provided by external rating agencies are historical information. Entities need to understand the sources of these historical default rates and update the data for current and forward-looking information when measuring ECLs or assessing credit deterioration. Also, although ratings are forward-looking, it is sometimes suggested that changes in credit ratings may not be reflected in a timely manner. Therefore, entities may have to take account of expected change in ratings in assessing whether exposures are low risk.</p>

Commentary on Financial Assets at Fair Value	
AASB 7R.35H	22. Revised AASB 7 requires an entity to disclose by class of financial instrument, a tabular reconciliation of the loss allowance from the opening balance to the closing balance. The reconciliation should include amounts representing the changes in the gross carrying amount of financial instruments that contributed to the changes in the loss allowance (for example, origination or acquisition of assets and write-offs)
	Reclassification under AASB 9 (from 1 July 2018)
AASB 9.4.4.1	23. The following are the general requirements on reclassification: <ul style="list-style-type: none"> In the rare circumstances when an entity changes its business model for managing financial assets, it must reclassify all impacted financial assets according to the basic classification and measurement criteria discussed earlier. An entity cannot reclassify financial liabilities. <p>In general, reclassifications of financial assets are accounted for prospectively under AASB 9, i.e., they do not result in restatements of previously recognised gains, losses or interest income.</p>
AASB 7R 12B-12D	If the entity has reclassified a financial asset out of the fair value through profit or loss category or the fair value through other comprehensive income category, there are additional disclosures required under AASB 7R.
	Reclassification under AASB 139 (for comparative period only)
AASB 7.12-12A	24. If the entity has reclassified a financial asset as one measured at cost or amortised cost rather than at fair value, rather than at cost or amortised cost, it must disclose the amount reclassified into and out of each category and the reason for that reclassification (see paras 51-54 of AASB 139). <p>If the entity has reclassified a financial asset out of the fair value through profit or loss category in accordance with paragraph 50B or 50D of AASB 139 or out of the available-for-sale category in accordance with paragraph 50E of AASB 139, it must make additional disclosures under AASB 7, including the amount reclassified.</p>
	Disclosure
Treasury Mandates	25. The notes are to disclose financial assets at fair value, separately disclosing derivatives, TCorpIM Funds (other than the TCorpIM Funds cash facility which is included as 'cash assets'), shares and other major categories. The TCorp IM Funds investment facilities that are normally part of the 'financial assets at fair value' category include the strategic cash facility, medium-term growth and long-term growth facilities. The current and non-current portions are to be separately disclosed. However, AASB 101 requires assets held primarily for trading in accordance with AASB 139 to be classified as current assets.
AASB 101.66	
AASB 7R.8 AASB 7.8	26. The carrying amounts for each of the categories of financial instruments under AASB 9 and AASB 139 must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements. Refer Note 34.
AASB 101.78	

14. Current / Non-Current – Other Financial Assets

Treasury Mandates	2019 \$'000	2018 \$'000
Other loans and deposits		
Advances receivable		
[Specify other major categories]		
Allowance for expected credit losses*		
Allowance for impairment**		

AASB 7R.35H	<i>*Movement in the allowance for expected credit losses</i>	
AASB 7R.42P	Balance at 30 June 2018 under AASB 139	_____
	Amounts restated through opening accumulated funds	
	Balance at 1 July 2018 under AASB 9	
	Increase/(decrease) in allowance recognised in net results	_____
	Balance at 30 June 2019	=====
AASB 7.16	<i>**Movement in the allowance for impairment</i>	
	Balance at 1 July 2017	
	Increase/(decrease) in allowance recognised in net results	_____
	Balance at 30 June 2018	=====
AASB 7R.31-42	Refer to Note 34 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.	
	Recognition and Measurement	
AASB 9.3.1.2 AASB 7R.B5(c) AASB 139.38 AASB 139.9 Treasury Mandates	All 'regular way' purchases or sales of other financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of other financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.	
AASB 9.5.1.1 AASB 139.43	Other financial assets are initially measured at fair value plus any transaction cost.	
	Subsequent measurement under AASB 9 (from 1 July 2018)	
	<i>Financial assets at amortised cost</i>	
AASB 9.4.1.2	Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as separate line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.	
AASB 9.3.2.12		
AASB 117.36	Amounts due from lessees under finance leases are classified at amortised cost and recognised at the amount of the entity's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the entity's net investment outstanding in respect of the leases.	
	Classification and measurement under AASB 139 (for comparative period ended 30 June 2018)	
	<i>Loans and receivables</i>	
AASB 139.46(a) AASB 139.56 AASB 139.26	Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.	
AASB 117.36	Amounts due from lessees under finance leases are classified as loans and receivables and recognised at the amount of the entity's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the entity's net investment outstanding in respect of the leases.	

[Include below if relevant]

Held-to-maturity investments

AASB 139.9
AASB 139.45(b)
AASB 139.46(b)
AASB 139.AG5-8
AASB 139.56

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention and ability to hold to maturity. These financial assets are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment under AASB 9 (from 1 July 2018)

AASB 9.5.5.1

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

AASB 9.5.5.3
AASB 9.5.5.5

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

AASB 9.5.5.11
AASB 7R.35F(a)(ii)

AASB 7R.35F(a)
AASB 7R.35G(a)(ii)
AASB 9.B5.5.22-27
AASB 9.5.5.5
AASB 9.5.5.3

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

AASB 9.B5.5.23

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

AASB 9.5.5.15(b)
Treasury Mandates

For lease receivables, the entity applies the simplified approach permitted by AASB 9, where the loss allowance is based on lifetime ECLs.

Impairment under AASB 139 (for comparative period ended 30 June 2018)

AASB 139.58-59

Other financial assets are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the asset, the estimated future cash flows have been affected.

AASB 139.63-64

The entity first assesses whether impairment exists individually for other financial assets that are individually significant, or collectively for those that are not individually significant. Further, other financial assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

AASB 139.AG84

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in 'other gains / (losses)'.

AASB 139.63

AASB 139.65

Any reversals of impairment losses are reversed through the net result for the year, where the decrease in impairment losses can be related objectively to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Commentary on other financial assets	
	Disclosure
Treasury Mandates	1. The notes are to disclose other financial assets, separately disclosing other loans and deposits (e.g. NSW TCorp deposits greater than 90 days), advances receivable and other major categories of investments. The current and non-current portions are to be separately disclosed.
AASB 7R.8 AASB 7.8	2. The carrying amounts for each of categories of financial instruments under AASB 9 and AASB 139 must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements. Refer Note 34.
	Classification and measurement under AASB 9 (from 1 July 2018)
AASB 9.4.1.1	3. Under AASB 9, the classification of other financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.
AASB 9.B4.1.2	Business model for managing financial assets refers to how an entity manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.
	Financial assets at amortised cost
AASB 9.4.1.2	4. Financial assets are measured at amortised cost if both of the following conditions are met: <ul style="list-style-type: none"> • the financial asset is held within a business model with the objective to collect contractual cash flows; and • the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding
AASB 9.4.1.3(a)	5. For the purposes of applying the SPPI test, 'the principal' is described as 'the fair value of the financial asset at initial recognition' and may change over the life of the financial asset, as there are repayments of principal and/or unwinding of any premium or discount on acquisition.
	Classification and measurement under AASB 139 (for comparative period only)
AASB 139.46	6. Other financial assets are generally classified as either 'loans and receivables' or 'held-to-maturity' investments in accordance with AASB 139 and are measured at amortised cost, using the effective interest method.
	Loans and receivables
AASB 139.9	7. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: <ul style="list-style-type: none"> • those classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss • those that the entity upon initial recognition designates as available-for-sale or • those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which must be classified as available-for-sale.
AASB 139 AG26	8. Common examples of financial instruments that, subject to the above, may be classified as 'loans and receivables' include loan assets, trade receivables, investments in non-quoted debt instruments and deposits held in banks.
	Held-to-maturity investments
AASB 139.9, 51-52 TPP08-1	9. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity (e.g. bank bills and bonds) that an entity has the positive intention and ability to hold to maturity, other than those designated as at fair value through profit or loss, available-for-sale or that meet the definition of loans and receivables. There are restrictions on the use of the 'held-to-maturity' category where an entity sells or reclassifies more than an insignificant amount of held-to-maturity investments before maturity (apart from limited circumstances). If this restriction is breached, the category cannot be used for a prescribed period and any remaining financial assets in the category must be reclassified as 'available-for-sale' and recognised at fair value (this applies at the individual entity and whole of government level).
AASB 139.AG17	10. Examples of financial assets that could potentially be classified as 'held-to-maturity' include quoted debt securities (such as bonds). However, investments in equity instruments, such as shares, cannot be regarded as 'held-to-maturity' as they do not have a fixed maturity.

Commentary on other financial assets	
TPP08-1	<p>11. Given the consequences of incorrect classification, NSW Treasury's Financial Instruments Policy requires that entities can only use the held-to-maturity category after obtaining written approval from NSW Treasury each year. NSW Treasury will require the entity to demonstrate the basis and reasons for the classification.</p> <p>Impairment under AASB 9 (from 1 July 2018)</p>
Treasury Mandates AASB 9.5.5.10	<p>12. NSW Treasury mandates the use of the low credit risk simplification. Under this approach, if a financial instrument has a low credit risk, an entity is allowed to assume that no significant increases in credit risk have occurred at the reporting date.</p> <p>The low credit risk concept is intended to provide relief from tracking changes in the credit risk of high quality financial instruments.</p>
AASB 9.B5.5.22-24	<p>13. The standard states that a financial instrument is considered to have low credit risk if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily reduce the ability of the borrower to fulfil its contractual cash flow obligations. However, collateral does not influence whether a financial instrument has a low credit risk.</p> <p>14. The description of low credit risk is broadly equivalent to what rating agencies define as 'investment grade' quality assets. This is equivalent to or better than a rating of BBB- by Standard & Poor's and Fitch or Baa3 for Moody's. Nevertheless, it is important to emphasise that the default rates provided by external rating agencies are historical information. Entities need to understand the sources of these historical default rates and update the data for current and forward-looking information when measuring ECLs or assessing credit deterioration. Also, although ratings are forward-looking, it is sometimes suggested that changes in credit ratings may not be reflected in a timely manner. Therefore, entities may have to take account of expected change in ratings in assessing whether exposures are low risk.</p>
AASB 9.5.5.15(b) Treasury Mandates	<p>15. NSW Treasury mandates the simplified approach to recognise a loss allowance for all lease receivables within the scope of AASB 117. Therefore, the entity is not required to track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The entity should establish a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the lease receivables.</p>
AASB 7R.35H	<p>16. Revised AASB 7 requires an entity to disclose by class of financial instrument, a tabular reconciliation of the loss allowance from the opening balance to the closing balance. The reconciliation should include amounts representing the changes in the gross carrying amount of financial instruments that contributed to the changes in the loss allowance (for example, origination or acquisition of assets and write-offs)</p> <p>Impairment under AASB 139 (for comparative period only)</p>
AASB 139.58-70	<p>17. AASB 139 requires that all financial assets, except those measured at fair value through profit and loss, must be subject to an annual review for impairment. Impairment losses are incurred only if there is objective evidence of impairment arising from events that impact on the estimated future cash flows of the financial asset or group of financial assets.</p> <p>Reclassification under AASB 9 (from 1 July 2018)</p>
AASB 9.4.4.1	<p>18. The following are the general requirements on reclassification:</p> <ul style="list-style-type: none"> • In the rare circumstances when an entity changes its business model for managing financial assets, it must reclassify all impacted financial assets according to the basic classification and measurement criteria discussed earlier. • An entity cannot reclassify financial liabilities. <p>In general, reclassifications of financial assets are accounted for prospectively under AASB 9, i.e., they do not result in restatements of previously recognised gains, losses or interest income.</p>
AASB 7R.12B-12D	<p>If the entity has reclassified a financial asset in or out of amortised cost, additional disclosures are required under AASB 7R.</p> <p>Reclassification under AASB 139 (for comparative period only)</p>
AASB 7.12-12A	<p>19. If the entity has reclassified a financial asset as one measured at cost or amortised cost rather than at fair value or at fair value, rather than at cost or amortised cost, it must disclose the amount reclassified into and out of each category and the reason for that reclassification (see paras 51-54 of AASB 139).</p>

Commentary on other financial assets

<p>AASB 9.B5.1.1 AASB 139.43, 46(a)</p>	<p>If the entity has reclassified a financial asset out of the fair value through profit or loss category in accordance with paragraph 50B or 50D of AASB 139 or out of the available-for-sale category in accordance with paragraph 50E of AASB 139, it must make additional disclosures under AASB 7, including the amount reclassified. Few entities are expected to be impacted.</p>
<p>AASB 139.AG 64 TPP08-1</p>	<p>Interest free or low interest loan</p> <p>20. An interest free or low interest loan or receivable must initially be measured at its fair value plus any transaction cost, if it is not measured at fair value through profit or loss. The entity must first assess the classification of the loan depending on its cash flow characteristics and the agency's business model for managing them. In most instances, interest free or loan interest loans have cash flows that are solely payments of principal and interest and for which the entity intends to hold to collect contractual cash flows. As such, they are measured at amortised cost and subsequently amortised using the effective interest method.</p> <p>21. The fair value of a long-term loan or receivable that carries no or low interest can be estimated as the present value of all future cash receipts discounted using the prevailing market rates of interest for a similar instrument with a similar credit rating. Any additional amount lent is an expense or grant unless it qualifies for recognition as some other type of asset. In the public sector context, the market rate of interest is generally represented by the NSW TCorp government bond rate, for the relevant term of the loan.</p>

15. Property, Plant and Equipment

AASB 101.78(a) AASB 116.73(d)	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Leased assets [specify class] \$'000	Total \$'000
At 1 July 2018 – fair value					
Gross carrying amount					
Accumulated depreciation and impairment					
Net carrying amount					
At 30 June 2019 – fair value					
Gross carrying amount					
Accumulated depreciation and impairment					
Net carrying amount					

AASB 116.73(e)

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below:

AASB 116.73(e)	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Leased assets [specify class] \$'000	Total \$'000
Year ended 30 June 2019					
Net carrying amount at beginning of year					
Additions					
Assets held for sale					
Disposals					
Acquisitions through administrative restructures					
Net revaluation increments less revaluation decrements					
Impairment losses* (recognised in 'other gains/losses')					
Depreciation expense					
Other movements [specify]					
Net carrying amount at end of year					

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

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 20

AASB 101.78(a) AASB 116.73(d)	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Leased assets [specify class] \$'000	Total \$'000
At 1 July 2017 – fair value					
Gross carrying amount					
Accumulated depreciation and impairment					
Net carrying amount					
At 30 June 2018 – fair value					
Gross carrying amount					
Accumulated depreciation and impairment					
Net carrying amount					

AASB 116.73(e)

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Leased assets [specify class] \$'000	Total \$'000
Year ended 30 June 2018					
Net carrying amount at beginning of year					
Additions					
Assets held for sale					
Disposals					
Acquisitions through administrative restructures					
Net revaluation increments less revaluation decrements					
Impairment losses* (recognised in 'other gains/losses')					
Depreciation expense					
Other movements [specify]					
Net carrying amount at end of year					

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

Recognition and Measurement

Acquisition of property, plant and equipment

AASB 116.6, 15, 31

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

AASB 116.6
AASB 13.9

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

AASB 116.23

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

AASB 116.Aus15.1

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 26).

Capitalisation thresholds

TPP06-6 Property, plant and equipment and intangible assets costing \$5,000 [or amount determined by the entity] and above individually (or forming part of a network costing more than \$5,000) are capitalised.

Major inspection costs

AASB 116.14 When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Restoration costs

AASB 116.16(c) The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Assets not able to be reliably measured

Framework 83
AASB 116.G1-G4
TPP14-01 The entity holds certain assets that have not been recognised in the Statement of Financial Position because the entity is unable to measure reliably the value for the assets and those assets are likely to be material. These assets are: [provide details of the quantum, nature and function of assets; reasons for the inability to obtain a reliable value; the heritage significance, where applicable; and an estimate of the annual costs of maintenance or preservation, where applicable].

Depreciation of property, plant and equipment

AASB 116.50
TPP14-01 Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity.

AASB 116.43 All material identifiable components of assets are depreciated separately over their useful lives.

TPP14-01
AASB 116.61, G1-G4 Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

AASB 116.73(b)(c) *[Disclose details regarding useful lives or depreciation rates of each class of depreciable assets and other disclosures as required by AASB 116, where applicable].*

Finance leases

AASB 117.8 A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

AASB 117.20 Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

AASB 117.27 Property, plant and equipment acquired under finance leases are depreciated over the asset's useful life. However, if there is no reasonable certainty that the lessee entity will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Revaluation of property, plant and equipment

AASB 116.29, 31, 73-79
TPP14-01
Treasury Mandates Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP14-01). This policy adopts fair value in accordance with AASB 13, AASB 116 and AASB 140 *Investment Property*.

AASB 13.27-28 TPP14-01	Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.
AASB 13.61-62 TPP14-01	Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 20 for further information regarding fair value.
AASB 116.31, 77 TPP14-01	Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The entity conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. The last comprehensive revaluation was completed on [date] and was based on an independent assessment.
TPP14-01	Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. [An interim [formal/management] revaluation was completed on [date] as a result of a cumulative [increase / decrease] in indicators of [X]%. The entity used an external professionally qualified valuer to [conduct / review] the interim revaluation].
AASB 116.35(b) TPP14-01	Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.
AASB 116.Aus39.1	For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.
AASB 116.Aus40.1	Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.
AASB 116.Aus40.2	Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.
AASB 116.41 TPP14-01	As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.
AASB 116.35(a) AASB 116.35(b)	When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.
AASB 116.41 TPP14-01	Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

AASB 116.51	The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end. Impairment of property, plant and equipment
TPP14-01 AASB 136.Aus6.2	As a not-for-profit entity with no cash generating units, impairment under AASB 136 <i>Impairment of Assets</i> is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.
AASB 136.9 AASB 136.59	The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
AASB 136.Au5.1	Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.
AASB 136.60 AASB 136.Aus61.1	As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.
AASB 136.114 AASB 136.117	After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.
AASB 136.119 AASB 136.Aus120.1	

Commentary on property, plant and equipment	
Classification	
Treasury Mandates AASB 117.31(a)	1. The notes to the Statement of Financial Position are to disclose separately 'land and buildings', 'plant and equipment', 'infrastructure systems'. 'Leased assets' [specify class of leased assets], where applicable, are to be disclosed as a sub-category, within the above categories, in the notes to the financial statements.
Treasury Mandates	2. Certain assets within the NSW GGS are normally classified as a separate class of infrastructure systems: for example, roads, bridges, water infrastructure and distribution works, sewerage treatment plants, seawalls and water reticulation systems. Land, buildings, plant or equipment which form an integral part of these infrastructure assets are to be disclosed as part of this class of assets.
Treasury Mandates	3. Surplus property, plant and equipment (not 'held for sale' in accordance with AASB 5) must be included within either 'land and buildings', 'plant and equipment' or 'infrastructure systems'. These assets do not meet the definition of 'financial assets' in the AAS which only include cash, a contractual right to receive cash and a contractual right to exchange financial instruments or equity instruments. Surplus assets, however, may be disclosed as a separate sub-category within 'land and buildings', 'plant and equipment' and 'infrastructure systems' in the notes.
AASB 5.3, 25	4. However, where property, plant and equipment meet the criteria for 'held-for-sale' per AASB 5, they must be reclassified as current assets and are no longer depreciated. Refer Note 19.
Reconciliations	
AASB 116.73(d)(e)	5. AASB 116 requires disclosure of the gross carrying amount and accumulated depreciation for each class of property, plant and equipment at the beginning and end of the reporting period.
AASB 116 TPP14-01	6. A reconciliation must also be provided of each class of property, plant and equipment at the beginning and end of the reporting period, disclosing specified categories.

Commentary on property, plant and equipment	
AASB 116.29 TPP14-01	7. For an outline of the valuation policies for the NSW Public Sector, see AASB 116, AASB 13 and NSW Treasury Policy and Guidelines Paper 'Valuation of Physical Non-Current Assets at Fair Value' (TPP14-01).
TPP14-01	8. AASB 116 requires entities to measure a class of non-current assets on either the cost basis or fair value basis, subsequent to initial recognition. In accordance with TPP14-01, NSW Treasury requires entities to adopt fair value in regard to physical non-current assets.
AASB 116.35(a) TPP14-01	9. In accordance with TPP14-01, where the entity has assessed that the difference between fair value and depreciated historical cost for non-specialised assets with short useful lives is unlikely to be material, measurement at depreciated historical cost is an acceptable surrogate for fair value. These assets do not require fair value hierarchy disclosures in accordance with AASB 13. In accordance with AASB 116, para 35(a) and TPP14-01, when revaluing non-current assets, NSW entities are to separately proportionally restate the gross amount and the related accumulated depreciation when an entity revalues depreciable assets using the cost approach.
AASB 116.35(b) TPP14-01	10. Conversely, where the income approach or market approach is used to revalue assets, any accumulated depreciation must be eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset (in accordance with paragraph 35(b) of AASB 116).
AASB 116.31 TPP14-01	11. AASB 116 requires fair value revaluations to be kept up to date. This means revaluations must be made with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the reporting date. To comply with the Standard, TPP14-01 includes requirements regarding the conduct of revaluations. For example, entities must conduct a comprehensive revaluation: At least every 3 years for land and buildings, (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique for that asset under AASB 13 At least every 5 years for all other classes of property, plant and equipment.
TPP14-01 TC15-02	12. Revaluations must be performed in time for Treasury's mandatory early close procedures. Revalued assets must be depreciated based on the revalued amounts from the day after the date of the revaluation. At reporting date, the fair value must again be assessed for any material movement in fair value. Where there is an indication that the carrying amount differs materially from fair value entities must update asset values, for example, by using relevant indices to roll forward the balances to year end.
TPP14-01	13. TPP14-01 includes additional requirements regarding interim revaluations, use of indicators/ indices and external professionally qualified valuers, and the management of a revaluation.
	Impairment
AASB 136.5, 6, 9, 59 TPP14-01	14. AASB 136 requires an entity to assess at each reporting date whether there is any indication of impairment. If any indication exists, the entity must estimate the recoverable amount. Where the recoverable amount is less than the carrying value, the entity must write down the asset or cash generating unit to recoverable amount. Recoverable amount is defined as the higher of fair value less costs of disposal and value in use. Providing that property, plant and equipment are carried at fair value or an amount that approximates fair value, impairment is considered unlikely particularly for not-for-profit entities. The only difference between an asset's fair value and fair value less costs of disposal is the direct incremental costs attributable to the disposal of the asset. This means that where the disposal costs is negligible (expected to be likely), the recoverable amount of a revalued asset is close to, or greater than, the revalued amount and the recoverable amount need not be estimated.
AASB 136.5	15. Where disposal costs are not negligible, the revalued asset will be impaired if its value in use is less than its revalued amount.
AASB 136.Aus5.1	16. Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, determined under AASB 13.

Commentary on property, plant and equipment	
TPP14-01 AASB 116.G1-G4	<p>Assets not able to be reliably measured</p> <p>17. For those assets which are used by an entity but cannot be reliably valued (e.g. certain heritage assets) and are likely to be material, the following information is to be disclosed (see Note 15):</p> <ul style="list-style-type: none"> • reasons for the inability to obtain a reliable value • the quantum, nature and functions of the assets and, where applicable, their heritage significance; and • estimate of the annual costs of maintenance / preservation, where applicable.
AASB 1004 BC28. TPP09-3	<p>Pre-transfer carrying amounts</p> <p>18. Where assets have been transferred between not-for-profit entities as part of an administrative restructure under AASB 1004, NSW TPP09-3 permits a transferee entity to measure assets transferred as part of an administrative restructure at the amounts at which the assets were recognised by the transferor immediately prior to the transfer. These assets need not be revalued until the class of non-current assets is next required to be revalued under the Accounting Standards and Treasury's Asset Valuation Policy (TPP14-01).</p>
AASB 116.31 AASB 116.34	<p>19. Subject to paragraph 20 below, in most cases there will not be a material difference between the fair value and the carrying amount of the asset (i.e. where the existing use is the same). This is because AASB 116 provides that where fair value is adopted, revaluations must be made with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the reporting date. Items with significant and volatile changes in fair value may have to be revalued annually.</p>
TPP09-3	<p>20. Other equity transfers, not covered by AASB 1004, must be recognised at fair value in accordance with NSW Treasury's Policy (subject to paragraph 20 below).</p>
TPP09-3 AASB 138.63-64 AASB 138.75 AASB 127.10	<p>21. Other exceptions to the fair value measurement principle:</p> <ul style="list-style-type: none"> • Where an intangible asset has been recognised at (amortised) cost by the transferor because there is no active market (AASB 138.75), the transferee recognises the asset at the transferor's carrying amount. • Where the transferor does not recognise an internally generated intangible subject to AASB 138.63-64 (i.e. internally generated brands, mastheads, customer lists etc.), the transferee must not recognise that asset. • Where the only change is that a government controlled entity becomes a subsidiary of another government controlled entity, as described in TPP09-3 Section 6.5, Treasury's Policy permits, but does not require, entities to measure in the parent entity's financial statements the parent entity's investment in the subsidiary at cost as permitted under AASB 127 <i>Separate Financial Statements</i>; and in the consolidated financial statements, the assets and liabilities based on their previous carrying amounts.
AASB 13.91-99	<p>Fair value disclosures under AASB 13</p> <p>22. AASB 13 requires extensive disclosures for assets measured at fair value on a recurring basis (e.g. property, plant and equipment measured on a fair value basis under AASB 116) or non-recurring basis (e.g. assets (or disposal groups) held for sale under AASB 5 measured at fair value less costs to sell) in the Statement of Financial Position after initial recognition. This includes disclosing the valuation techniques and inputs used to develop those measurements and for Level 3 fair value measurements, the effect of the measurements on the net result or other comprehensive income for the period. This is illustrated in Note 20.</p> <p>23. Non-specialised assets with short useful lives measured using depreciated historical cost as an approximation of fair value do not require AASB 13 fair value hierarchy disclosures.</p>
Framework 91	<p>Agreements equally proportionately unperformed</p> <p>24. In practice, obligations under contracts that are equally proportionately unperformed are generally not recognised as liabilities in the financial statements. However, such obligations may meet the definition of liabilities and, provided the recognition criteria are met, may qualify for recognition. In such circumstances, recognition of liabilities requires recognition of related assets or expenses. Therefore, where another Australian Accounting Standard sets out requirements for the recognition of assets and liabilities arising from agreements which are equally proportionately unperformed, the requirements of that Standard must be applied.</p>
Interpretation 1031.7-8	<p>Goods and Services Tax</p> <p>25. Revenues, expenses and assets must be recognised net of the amount of GST, except:</p>

Commentary on property, plant and equipment

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

Service Concession Arrangements

Interpretation 129.6

26. There are significant disclosure requirements for entities with service concession arrangements, including a description of the arrangement; significant terms, nature and extent of rights and obligations; renewal and termination options; and changes in the arrangement during the period. Refer Interpretation 129 para 6.

16. Investment Property

AASB 140.75-76

	2019 \$'000	2018 \$'000
Opening balance as at 1 July – fair value		
Additions [separately identify those from acquisitions or subsequent expenditure]		
Disposals and assets held for sale		
Net gain / (loss) from fair value adjustment [Other changes]		
Closing balance as at 30 June – fair value		

AASB 140.75(e)

Investment properties are valued at fair value by *[state whether or not valued by an independent, professionally qualified valuer with recent experience in the location and state the category of investment property.]*

Further details regarding the fair value measurement of investment property are disclosed in Note 20.

AASB 140.75(f)

The following amounts have been recognised in the net result for the year:

	2019 \$'000	2018 \$'000
Rental income		
AASB 140.75(f)(ii) Direct operating expenses arising from investment properties that generated rental income		
AASB 140.75(f)(iii) Direct operating expenses that did not generate rental income		

Recognition and Measurement

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

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

Commentary on Investment Properties**Classification**

AASB 140.5, Aus9.1

1. Investment property is held to earn rentals or for capital appreciation, or both. However, for not-for-profit entities, property held to meet service delivery objectives rather than to earn rental or for capital appreciation does not meet the definition of

Commentary on Investment Properties	
AASB 140.Aus20.1	investment property and is accounted for under AASB 116. It is expected that investment properties held by NSW GGS not-for-profit entities would be rare.
AASB 140.6, 30 TPP14-01, Treasury Mandates	2. Where an investment property is acquired at no cost or for nominal cost, its cost is deemed to be its fair value as at the date of acquisition. Measurement of investment property after recognition is at either cost or fair value. NSW public sector entities must use the fair value method. Further, NSW public sector entities must classify property interests held by a lessee under an operating lease as investment property, if they would otherwise meet the definition of an investment property.
AASB 140.75	3. AASB 140 disclosures include: <ul style="list-style-type: none"> • Whether the entity applies the fair value or cost model. • If it applies the fair value model, whether, and in what circumstances, property interests held under operating leases are classified and accounted for as an investment property. • When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business. • Extent to which the fair value is based on a valuation by a qualified and experienced independent valuer. If there has been no such valuation, the entity must disclose that fact. • Amounts recognised in profit or loss for: <ul style="list-style-type: none"> - Rental income - Direct operating expenses (including repairs and maintenance) arising from investment property that either generated or did not generate rental income during the period • Existence and amounts of restrictions and • Various contractual obligations; e.g. to develop or repair.
AASB 140.76	4. In addition to the above, the entity must disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the reporting period.
AASB 13.91-99	5. AASB 13 requires extensive disclosures for assets measured at fair value on a recurring or non-recurring basis in the Statement of Financial Position after initial recognition. Investment property measured at fair value is an example of a recurring fair value measurement. The required disclosures are illustrated in Note 20.

17. Intangible Assets

AASB 138.118 (c)-(e)	Software \$'000	[Other Major Categories] \$'000	Total \$'000
At 1 July 2018			
Cost (gross carrying amount)			
Accumulated amortisation and impairment			
Net carrying amount			
At 30 June 2019			
Cost (gross carrying amount)			
Accumulated amortisation and impairment			
Net carrying amount			

AASB 138.118 (c)-(e)	Software \$'000	[Other Major Categories] \$'000	Total \$'000
Year ended 30 June 2019			
Net carrying amount at beginning of year			
Additions [separately identifying those from internal development or acquired separately]			
Reclassification to assets held-for-sale			
Impairment losses			
Amortisation (recognised in 'depreciation and amortisation')			
Other movements [specify]			
Net carrying amount at end of year			
At 1 July 2017			
Cost (gross carrying amount)			
Accumulated amortisation and impairment			
Net carrying amount			
At 1 June 2018			
Cost (gross carrying amount)			
Accumulated amortisation and impairment			
Net carrying amount			
Year ended 30 June 2018			
Net carrying amount at beginning of year			
Additions [separately identifying those from internal development or acquired separately]			
Reclassification to assets held-for-sale			
Impairment losses			
Amortisation (recognised in 'depreciation and amortisation')			
Other movements [specify]			
Net carrying amount at end of year			

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

Recognition and Measurement

AASB 138.21	The entity recognises intangible assets only if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably.
AASB 138.24, Aus24.1	Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.
AASB 138.74	
AASB 138.54, 57	All research costs are expensed. Development costs are only capitalised when certain criteria are met.
AASB 138.88, 118(a)	The useful lives of intangible assets are assessed to be finite/indefinite [specify as appropriate].
AASB 138.118(a) (b)	The entity's intangible assets are amortised using the straight-line method over a period of [x] years [specify for each category]

AASB 138.97	The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.
AASB 138.107-109	Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
AASB 136.9	Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Commentary on Intangible Assets	
AASB 138.78, 81 Treasury Mandates	1. Subsequent measurement of an intangible asset is at fair value only if there is an active market. It is uncommon for an active market to exist for an intangible asset; in this situation, the asset is carried at cost less any accumulated amortisation and impairment.
AASB 138.54, 57	2. All research costs are expensed. Development costs are only capitalised when certain criteria are met.
AASB 138.63	3. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance must not be recognised as intangible assets. However, such items may be capitalised where they are externally acquired; i.e. outside of the public sector.
AASB 138.88, 92	4. The entity must assess whether the useful life of an intangible asset is finite or indefinite. An intangible asset with a finite life is amortised. Given the history of rapid changes in technology, computer software and many other intangible assets are susceptible to technological obsolescence. Therefore, it is likely their useful life is short.
AASB 136.9	5. Intangible assets are tested for impairment where an indicator of impairment exists and entities must make certain disclosures where required (refer to AASB 136.126-137). If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.
AASB 138.122-127	6. AASB 138 <i>Intangible Assets</i> requires additional disclosures in the rare circumstances where an intangible asset is assessed as having an indefinite useful life. Certain disclosures are also required where intangible assets are acquired by way of government grant. These and other disclosures are detailed at AASB 138, paragraphs 122-127.
AASB 13.91-99	7. AASB 13 also requires extensive disclosures where an entity is able to revalue intangibles to fair value (i.e. where there is an active market). These fair value disclosures for intangible assets are not illustrated in the Code, as the Code assumes that there is no active market for intangibles. However, where intangible assets can be revalued to fair value (as there is an active market), then the AASB 13 disclosures must be made and should be included as part of Note 20.

18. Current / Non-Current – Other assets

		2019	2018
		\$'000	\$'000
AASB 101.97	[Specify major categories]		

Commentary on Other Assets

AASB 101.118 Treasury Mandates	The notes are to disclose major categories of other assets. The current and non-current portions are to be separately disclosed. Other assets are generally recognised at historical cost.
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19. Non-Current Assets (or Disposal Groups) Held-for-Sale

		2019	2018
		\$'000	\$'000
AASB 5.38, 40	Assets held-for-sale		
	Land and buildings		
	Plant and equipment		
	Infrastructure systems		
	[Specify other major categories]		

Liabilities associated with assets held for sale

[Specify major categories]

AASB 5.38	Amounts recognised in other comprehensive income relating to assets held-for-sale		
		2019	2018
		\$'000	\$'000
	Net change in revaluation surplus of property, plant and equipment		
	[Specify major categories]		

AASB 5.41
AASB 13.93(a) [Description of non-current assets (or disposal groups) held-for-sale, reasons for the classification / measurement as held-for-sale, description of the facts and circumstances leading to the expected disposal and the expected manner and timing of that disposal.]

AASB 5.42 [If an entity ceases to classify an asset (or disposal group) as held for sale, a description of the facts and circumstances leading to the decision and the effect of the decision on the results of operations.]

Further details regarding fair value measurement are disclosed in Note 20.

Recognition and Measurement

AASB 5.6, 7, 15 The entity has certain non-current assets (or disposal groups) classified as held-for-sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets (or disposal groups) held-for-sale are measured at the lower of their carrying amount and fair value less costs of disposal.

AASB 5.25 These assets are not depreciated / amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are continued to be recognised.

Commentary on Non-Current Assets (or Disposal Groups) Held-for-Sale	
AASB 5.3, 15, 20, 25	1. A non-current asset (or disposal group) must be classified as held for sale where it satisfies strict criteria. Assets held for sale are measured at the lower of carrying amount and fair value less costs of disposal; not depreciated; reclassified from non-current to current; and separately presented in the Statement of Financial Position. An impairment loss is recognised in profit or loss for any initial and subsequent write down from the carrying amount measured immediately before re-measurement to fair value less costs of disposal.
AASB 5.Aus2.1 AASB 5.30-37 TPP09-3	2. AASB 5 does not apply to the restructuring of administrative arrangements subject to AASB 1004. These are addressed in Note 26. However, the discontinued operation requirements may apply where there are restructures involving other NSW public sector entities not subject to AASB 1004. Where this is the case, AASB 5 requires additional disclosures on the face of the Statement of Comprehensive Income and in the notes (refer AASB 5, paras 30-37).
AASB 5.12	3. Additional disclosures are required where non-current assets (or disposal groups) meet the criteria for classification as held for sale after the Statement of Financial Position date.
AASB 13.91-99	4. AASB 13 requires extensive disclosures for assets measured at fair value on a recurring or non-recurring basis in the Statement of Financial Position after initial recognition. Assets held for sale measured at fair value less costs to sell is an example of a non-recurring fair value measurement. The required disclosures are illustrated in Note 20.

20. Fair value measurement of non-financial assets

Fair value measurement and hierarchy

AASB 13.9, 16 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

AASB 13.61 When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- AASB 13.72-90, 91-99
- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
 - Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
 - Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

AASB 13.93(a)(b)
AASB 13.94

a) Fair value hierarchy

	2019			Total fair value \$'000
	Level 1	Level 2	Level 3	
	\$'000	\$'000	\$'000	
Property, plant and equipment (Note 15)				
Land and buildings				
Plant and equipment				
Infrastructure systems				
Investment properties (Note 16)				
Non-current assets (or disposal groups) held-for-sale (Note 19)				
[Specify relevant classes]				
	2018			Total fair value \$'000
	Level 1	Level 2	Level 3	
	\$'000	\$'000	\$'000	
Property, plant and equipment (Note 15)				
Land and buildings				
Plant and equipment				
Infrastructure systems				
Investment properties (Note 16)				
Non-current assets (or disposal groups) held-for-sale (Note 19)				
[Specify relevant classes]				

AASB 13.93(c)

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

AASB 13.91(a)

b) Valuation techniques, inputs and processes

Commentary on fair value measurement AASB 13 disclosures	
AASB 13.93(d)	For the current and prior year, the entity must disclose the following information: [For recurring and non-recurring Level 2 and Level 3 fair value measurements, a description of the valuation technique(s) and inputs. If there has been a change in valuation technique, the entity must disclose that change and reasons for making it.]
AASB 13.93(i)	[For recurring and non-recurring fair value measurements, if the highest and best use of the asset differs from current use, the entity must disclose this and why the asset is used in a manner that differs from highest and best use.]
AASB 13.93(g)	[For recurring and non-recurring Level 3 fair value measurements, a description of the valuation processes used by the entity (including, for example, how the entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).] [Additional disclosure requirements for assets categorised within Level 3 of the fair value hierarchy:
AASB 13.93(d)	<ul style="list-style-type: none"> quantitative information about significant unobservable inputs used, where reasonably available (recurring and non-recurring).
AASB 13.93(h)(i)	<ul style="list-style-type: none"> a narrative description of sensitivity to changes in unobservable inputs that may significantly impact on fair value, including a description of the interrelationships between those inputs and other unobservable inputs and how they might magnify / mitigate the effect of the changes (recurring). To comply with this disclosure requirement, the narrative description of the sensitivity to changes in unobservable inputs shall include, at a minimum, the unobservable inputs disclosed.
AASB 13.Aus93.1	Note – these Level 3 disclosure requirements are not mandatory for not-for-profit entities with property, plant and equipment held primarily for their current service potential rather than to generate future net cash inflows]

Commentary on fair value measurement AASB 13 disclosures

[N.B. 'Property, plant and equipment' and 'investment properties' are examples of recurring fair value measurements, while 'assets (or disposal groups) held-for-sale' measured at fair value less costs to sell is an example of a non-recurring fair value measurement. Plant and Equipment measured using depreciated historical cost as an approximation of fair value do not require fair value hierarchy disclosures.]

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

c) Reconciliation of recurring Level 3 fair value measurements

	[Class/es]	Total Recurring Level 3 Fair value
	\$'000	\$'000
<hr/>		
Fair value as at 1 July 2018		
Additions		
Revaluation increments/decrements recognised in Net result – included in the line item 'Other gains / (losses)'		
Revaluation increments/ decrements recognised in other comprehensive income – included in line item / Changes in revaluation surplus of property, plant and equipment'		
Transfers from Level 1 / 2		
Transfers to Level 1 / 2		
Disposals		
Depreciation expense		
[Other categories – specify]		
Fair value as at 30 June 2019		
<hr/>		
	[Class/es]	Total Recurring Level 3 Fair value
	\$'000	\$'000
<hr/>		
Fair value as at 1 July 2017		
Additions		
Revaluation increments/decrements recognised in Net result – included in the line item 'Other gains / (losses)'		
Revaluation increments/ decrements recognised in other comprehensive income – included in line item / Changes in revaluation surplus of property, plant and equipment'		
Transfers from Level 1 / 2		
Transfers to Level 1 / 2		
Disposals		
Depreciation expense		
[Other categories – specify]		
Fair value as at 30 June 2018		
<hr/>		

AASB 13.93(f)

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

AASB 13.Aus93.1

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

AASB 13.93(e)(iv)
AASB 13.95

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

Commentary on Fair Value Measurement AASB 13 Disclosures	
AASB 13.91	1. AASB 13 introduces a comprehensive disclosure framework for fair value measurements. The objective of the disclosures under AASB 13 is to provide information that helps users assess the valuation techniques, inputs and for Level 3 recurring fair value measurements, the effect of the measurements on profit/loss or other comprehensive income for the current and prior period.
AASB 13.92	2. To meet the disclosure objectives the entity must consider: <ul style="list-style-type: none"> • the level of detail necessary to satisfy the requirements • how much emphasis to place on each of the requirements • how much aggregation or disaggregation to undertake • whether users require additional information to evaluate the quantitative information disclosed. <p>Where disclosures under AASB 13 and other AAS are insufficient to meet the objectives described above, an entity shall disclose additional information necessary to meet those objectives.</p>
AASB 13.93	3. AASB 13 sets out the minimum disclosures required for each class of assets and liabilities measured at fair value in the Statement of Financial Position after initial recognition – refer AASB 13.93(a) to (i).
AASB 13.93(a)	4. Some of the specific AASB 13 disclosure requirements depend on whether fair value measurements are recurring or non-recurring. Recurring fair value measurements are those that other Accounting Standards require or permit in the Statement of Financial Position at the end of each reporting period. However, this does not mean that a comprehensive revaluation is performed every reporting period. <p>For example, revaluation of property, plant and equipment under AASB 116 is a “recurring” fair value measurement under AASB 13. Non-recurring are those that other Accounting Standards require or permit in the Statement of Financial Position in particular circumstances (e.g. under AASB 5).</p>
AASB 13.94	5. An entity needs to determine appropriate classes on the basis of nature, characteristics and risks of the asset and level of the fair value hierarchy. The number of classes may need to be greater for level 3 valuations as measurements have a greater degree of uncertainty and subjectivity. A single class may include valuations at different levels of the fair value hierarchy, but an entity may need to further disaggregate if different categories indicate the assets are different in nature, characteristics or risks. <p>For example, if the entity determines after considering the nature, characteristics and risks of the asset, that “land and buildings” needs to be further disaggregated into a number of classes then the proforma disclosure in Note 20 will need to be amended / disaggregated accordingly.</p>
AASB 13.95	6. An entity must disclose and consistently follow the policy for determining when transfers between levels in hierarchy are deemed to have occurred and must apply the same policy for transfers in and transfers out of levels. This is illustrated in the first section of this note.
AASB 13.99	7. In addition, an entity must present quantitative disclosures in a table unless another format is more appropriate.

21. Restricted Assets

	2019 \$'000	2018 \$'000
[Disclose restricted assets and the nature of those restrictions]		

Commentary on Restricted Assets

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

	2019 \$'000	2018 \$'000
AASB 101.77 Treasury Mandates	Accrued salaries, wages and on-costs Creditors [Specify other major categories]	

AASB 7R.31-42 Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 34.

Recognition and measurement

Payables represent liabilities for goods and services provided to the entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

AASB 9.4.2.1
AASB 9.5.7.2
AASB 139.9
AASB 139.43
AASB 139.47
AASB 139.56

Commentary on Payables

	Disclosure
TC15-07 Treasury Mandates	1. The notes are to disclose separately accrued salaries, wages and on-costs, creditors and other major categories (e.g. personnel services payable for entities receiving personnel services per TC15-07). Aggregate employee benefits and related on-costs are reconciled in Note 24.
TPP08-1	2. Normal trade payables will typically be classified as 'non-trading financial liabilities' in accordance with AASB 139.47 and NSW Treasury's Financial Instruments Policy (TPP08-1). There are no changes in classification and measurement requirements for financial liabilities at amortised cost under AASB 9.
AASB 7R.8	3. The carrying amounts for each of the AASB 9 categories of financial instruments must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements
AASB 7R.31-42	4. AASB 7 requires a variety of quantitative and qualitative disclosures for each type of risk (including credit risk, liquidity risk and market risk) to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed. This includes a maturity analysis for financial liabilities showing the remaining contractual maturities. Refer Note 34.

Commentary on Payables	
	Measurement
AASB 9.4.2.1 AASB 9.5.7.2 AASB 139.43A, 47	5. Non-trading financial liabilities (per AASB 139) are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, if the fair value on initial recognition differs from the transaction price, the entity must apply AASB 9 B5.1.2A (from 1 July 2018) or AASB 139.AG76 (until 30 June 2018).
AASB 7R.29 AASB 7.29, TPP08-1 Interpretation 1031	6. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.
	Goods and Services Tax (GST)
	7. Receivables and payables must be stated with the amount of GST included. This also includes accruals. Accruals form part of 'receivables' and 'payables' and should be treated similarly. That is, where an accrual is made, it should include GST, even though a tax invoice may not have been received. This is because an event or transaction has occurred that will give rise to GST payable/ receivable in the future.
	8. The net amount of GST recoverable from or payable to the taxation authority must be included as part of receivables or payables.

23. Current / Non-Current Liabilities – Borrowings

AASB 101.54(m) Treasury Mandates	2019 \$'000	2018 \$'000
Bank overdraft		
Derivatives		
Treasury advances repayable		
TCorp borrowings		
Other loans and deposits		
Finance leases (see Note 27)		
[Specify other major categories]		
AASB 7.14 AASB 116.74(a)	[Disclose the carrying amount/fair value of any assets pledged as security / collateral for liabilities and the related existence and amounts of restrictions on title]	
AASB 7R.31-42	Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 34.	
	Recognition and measurement	
	<i>Financial liabilities at amortised cost</i>	
AASB 9.4.2.1 AASB 9.5.5.1 AASB 9.5.7.2 AASB 139.9 AASB 139.43 AASB 139.47 AASB 139.56	Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.	
	Finance lease liabilities are determined in accordance with AASB 117.	
	[Include below if relevant]	
	<i>Financial liabilities at fair value through profit or loss</i>	
AASB 139.9	Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading such as [include relevant categories] and financial liabilities designated upon initial recognition as at fair value through profit or loss.	
AASB 9.4.2.1 AASB 139.47(a)	Financial liabilities are classified as held-for-trading if they are incurred for the purpose of repurchasing in the near term or on initial recognition are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.	

Derivatives are carried as financial liabilities when the fair value is negative. Gains or losses on liabilities held-for-trading are recognised in the net result.

AASB 139.45(a)
AASB 9.4.1.5
AASB 9.4.2.2

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

AASB 139.AG4D-4G
AASB 9.B4.1.29-32

- the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or

AASB 139.AG4H-4K
AASB 9.B4.1.33-36

- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or

AASB 139.11A
AASB 9.4.3.5
AASB 9.B4.3.10

- the liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

[Disclose reason for designating financial liabilities at fair value through profit or loss]

AASB 139.55(a)

Until 30 June 2018, financial liabilities designated at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in the net result.

AASB 9.5.7.7

From 1 July 2018, the changes in fair value of liabilities designated at fair value through profit or loss are recorded in profit or loss with the exception of movements in fair value due to changes in the entity's own credit risk are recorded in other comprehensive income and do not get recycled to net result.

Financial Guarantees

AASB 9 App A
AASB 139.9, 43, 47

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

Recognition and measurement under AASB 9 from 1 July 2018

AASB 9.4.2.1(c)
AASB 9.B2.5

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

Recognition and measurement under AASB 139 for comparative period ended 30 June 2018

AASB 137.36

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially recognised at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable transaction costs, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 and the amount initially recognised, less accumulated amortisation, where appropriate.

The entity has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2019 and as at 30 June 2018. However, refer to Note 28 regarding disclosures on contingent liabilities.

AASB 107.44A
AASB 107.44C
AASB 107.44B
AASB 107.44D

Changes in liabilities arising from financing activities

	1 July 2018	Cash flows	New leases	Other*	30 June 2019
Bank overdraft					
Derivatives					
Treasury advances repayable					
TCorp borrowings					
Other loans and deposits					
Finance leases					
Total liabilities from financing activities					

* [Describe transactions included in 'Other']

AASB 101.38
AASB 107.44B
AASB 107.44D

	1 July 2017	Cash flows	New leases	Other*	30 June 2018
Bank overdraft					
Derivatives					
Treasury advances repayable					
TCorp borrowings					
Other loans and deposits					
Finance leases					
Total liabilities from financing activities					

* [Describe transactions included in 'Other']

Commentary on Borrowings

Disclosure

Treasury Mandates

AASB 101.60

AASB 7R.8

AASB 7.8

AASB 139.47

TPP08-1

TPP08-1

AASB 101.58(c)

AASB 7R.31-42

AASB 7.31-42

AASB 9.7.2.10

AASB 9.4.2.2

1. The notes are to separately disclose the following categories: bank overdrafts, NSW Treasury advances repayable, TCorp borrowings, other loans and deposits, finance leases and other major categories (e.g. financial guarantee liabilities, where material – refer paras 8-11 below)). Current and non-current portions are to be separately disclosed.

2. The carrying amounts for each of the categories of financial instruments under AASB 9 (from 1 July 2018) and AASB 139 (for comparative period 30 June 2018) must be separately disclosed, either on the face of the Statement of Financial Position or in the notes to the financial statements.

3. Borrowings are generally 'non-trading financial liabilities' per NSW Treasury's Financial Instruments Policy and are measured at amortised cost using the effective interest method in AASB 139.

There are no changes in classification and measurement requirements for financial liabilities at amortised cost under AASB 9 as compared to AASB 139.

4. In the rare circumstances where borrowings are 'held-for-trading', they must be separately disclosed in a line item in the Statement of Financial Position from other 'borrowings' that are measured at amortised cost. A borrowing can only be designated at fair value through profit or loss in limited circumstances (i.e. satisfies fair value option, appropriate for operations and approved by NSW Treasury).

5. AASB 7 requires a variety of quantitative and qualitative disclosures for each type of risk (including credit risk, liquidity risk and market risk) to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed. This includes a maturity analysis for financial liabilities showing the remaining contractual maturities. Refer Note 34.

Financial liabilities designated at fair value through profit or loss

6. On application of AASB 9, entities are required to revisit the fair value through profit or loss designations previously made in accordance with AASB 139 and are also given an opportunity to make new designations in accordance with AASB 9. More specifically, on the date of initial application:

Commentary on Borrowings	
AASB 7R.B5(a) AASB 7.B5(a)	<ul style="list-style-type: none"> • a financial liability may be designated as measured at fair value through profit or loss if such designation would now eliminate or significantly reduce an accounting mismatch. • Any previous designation of a financial liability as measured at fair value through profit or loss that was made on the basis that it eliminated or significantly reduced an accounting mismatch may be revoked in any case but must be revoked if such designation no longer eliminates or significantly reduces an accounting mismatch.
AASB 7R.10	7. When financial liabilities are designated at fair value through profit or loss, disclose the nature of these financial liabilities, the criteria for designation and how the entity has satisfied the standard requirements for designation.
AASB 7R.11(c)	8. When an entity designates its financial liabilities in accordance with AASB 9 and is required to present the effects of changes in that liability's credit risk in other comprehensive income, it should disclose the following: <ul style="list-style-type: none"> • the criteria for designating them at FVPL and how the entity has satisfied the conditions in AASB 9 for such designation • the amount of change, cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, including the method used to determine the amount and how the method is appropriate • the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation • any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers • if a liability is derecognised during the period, the amount (if any) presented in other comprehensive income that was realised at derecognition • detailed description of the economic relationship between the characteristics of the liability and the characteristics of the other financial instrument measured at fair value through profit or loss
AASB 7R.10A	9. When an entity designates its financial liabilities in accordance with AASB 9 and is required to present all changes in fair value in profit or loss, it should disclose the following: <ul style="list-style-type: none"> • the criteria for designating them at FVPL and how the entity has satisfied the conditions in AASB 9 for such designation • the amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, including the method used to determine the amount and how the method is appropriate • the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation • a detailed description of the methodology or methodologies used to determine whether presenting the effects of changes in a liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss
AASB 7R.11(a)	
AASB 9.B5.1.1 AASB 139.AG64 AASB 13 TPP08-1	<p style="text-align: center;">Interest free or low interest loan</p> <p>10. An interest free or low interest loan must initially be measured at its fair value (consistent with other financial instruments) less any transaction cost. Normally, most agencies' interest free or low interest loan payable are classified as at amortised cost and are subsequently amortised using the effective interest method. The fair value of a long-term interest free or low interest loan can be estimated as the present value of all future cash payments discounted using the prevailing market rates of interest for a similar instrument with a similar credit rating. Any additional amount lent is grant revenue. In the public sector context, the market rate of interest is generally represented by the NSW TCorp government bond rate for the relevant term of the loan.</p>
AASB 117.20, 25	<p style="text-align: center;">Finance lease</p> <p>11. The finance lease liability is determined in accordance with AASB 117.</p>
AASB 9 App A AASB 139.9 TPP08-1	<p style="text-align: center;">Financial guarantee contracts</p> <p>12. A financial guarantee contract is defined as a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.</p>

Commentary on Borrowings	
	Under AASB 9 (from 1 July 2018), the definition of financial guarantee contract remains unchanged from AASB 139 (until 30 June 2018 for comparative period only).
TPP08-1	13. In NSW, for entities other than the Crown Entity, financial guarantee contracts are most likely to arise where a financial guarantee relates to debts of parties outside the NSW public sector. Entities should review all contracts for any guarantees (where they are the issuer) that may meet the definition of a financial guarantee contract.
AASB 139.43, 43A, 47(c)	14. Under AASB 139, financial guarantee contracts must initially be recognised by the issuer at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable transaction costs. However, if the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, an entity shall apply paragraph AASB 139.AG76. After initial recognition, unless at fair value through profit or loss, the issuer of a financial guarantee contract must measure it at the higher of:
AASB 139.AG76	<ul style="list-style-type: none"> • the amount determined in accordance with AASB 137 (but under • AASB 137, financial guarantees are likely only to be disclosed as contingent liabilities and therefore not recognised unless the specified debtor has defaulted or is likely to default) and • the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with AASB 118.
TPP08-1	15. In determining the fair value, a number of factors should be considered, including the probability of default, the likely loss, the level of gearing, the industry in which the guaranteed party operates and its capital management framework. Common methodologies include the use of interest rate differential analysis and expected liability based on loss events and probability of default.
AASB 9.4.2.1(c)	16. Under AASB 9, financial guarantee contracts must initially be recognised by the issuer at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable transaction costs. After initial recognition, the higher of the amount recognised in net results and an impairment based on expected credit losses.
	Changes in liabilities arising from financing activities
AASB 107.44A-44B	17. AASB 107 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. To the extent necessary to satisfy this requirement, an entity discloses the following changes in liabilities arising from financing activities: <ul style="list-style-type: none"> • changes from financing cash flows; • changes arising from obtaining or losing control of subsidiaries or other businesses; • the effect of changes in foreign exchange rates; • changes in fair values; and • other changes.
AASB 107.44C	18. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.
AASB 107.44E	
AASB 107.44D	19. The standard suggests that the disclosure requirement may be met by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows.

24. Current / Non-Current Liabilities – Provisions

	2019 \$'000	2018 \$'000
	Employee benefits and related on-costs	
Treasury Mandates	Annual leave	
	Long service leave	
	[Specify other major categories]	
Treasury Mandates	Other Provisions	
	Restoration costs	
	[Specify other major categories]	
Treasury Mandates	Aggregate employee benefits and related on-costs	
	Provisions – current	
	Provisions - non-current	
	Accrued salaries, wages and on-costs (Note 22)	

AASB 137.85 *[For each class of provision (other than employee benefits), entities must disclose a brief description of the nature of the obligation, expected timing of outflows, indication of uncertainties about the amount (including relevant major assumptions) or timing of those outflows and the amount of any related expected reimbursement.]*

AASB 101.61 *[For each liability line item that combines amounts expected to be settled no more than 12 months after the reporting date and more than 12 months after the reporting date, an entity must disclose the amount expected to be settled after more than 12 months.]*

AASB 137.84 **Movements in provisions (other than employee benefits)**

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	[Class] \$'000	[Class] \$'000	Total \$'000
Carrying amount at 1 July 2018			
Additional provisions recognised			
Amounts used			
Unused amounts reversed			
Unwinding / change in the discount rate			
Carrying amount at 30 June 2019			

[Comparative information is not required.]

Recognition and Measurement

Employee benefits and related on-costs **Salaries and wages, annual leave and sick leave**

AASB 119.9, 11, 16 Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

AASB 119.16 Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

NSW TC15-09 AASB 101.69	Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using X% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.
AASB 119.17, 18	Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future. Long service leave and superannuation <i>[Applicable where superannuation and long service leave liabilities are assumed by the Crown Entity. Otherwise tailor accounting policy to your circumstances.]</i>
AASB 119.127-131 TC15-09 TC18-XX	The entity's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The entity accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.
AASB 119.72 AASB 119.155 TC15-09 Treasury Mandates	Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.
TC18-XX	The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.
AASB 119.51, 53	Consequential on-costs
TC15-09	Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax. Other provisions
AASB 137.14	Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.
AASB 137.53 AASB 137.54	
AASB 137.72	Any provisions for restructuring are recognised only when an entity has a detailed formal plan and the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.
AASB 137.47, 60	If the effect of the time value of money is material, provisions are discounted at [X]% (2018: [X]%), which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

Commentary on Provisions	
Treasury Mandates	1. The notes are to separately disclose: <ul style="list-style-type: none"> • employee benefits and related on-costs: including annual leave and other major categories • other provisions including major categories (e.g. personnel services liabilities for entities receiving personnel services per TC15-07).
AASB 101.60	Current and non-current portions are to be separately disclosed.
Employee benefits – recognition and measurement	
AASB 119.8, 11	2. Employee benefits are defined in AASB 119 to mean all forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment. The Standard outlines recognition criteria and disclosure requirements for employee benefits, including salaries and wages (including non-monetary benefits), annual leave, sick leave, long service leave, profit sharing and bonus plans, termination benefits and other post-employment benefits.
AASB 119. 9, 16	3. AASB 119 provides that short-term employee benefits such as salaries and wages (including non-monetary benefits) (see Note 22), sick leave and other employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the period in which the employees render the service must be measured at undiscounted amounts. The Standard requires the remuneration rates to be based on what the entity expects to pay as at each reporting date.
AASB 119.66, 156	4. Present value measurement is required for long-term employee benefit liabilities that are not expected to be settled wholly before 12 months after the end of the period in which the employees render the related service (although 'short-hand' measurement techniques can be used). Long-term employee benefits are unlikely to include annual leave, because annual leave is typically not expected to be settled wholly within 12 months.
Treasury Mandates TC18-13	5. For certain NSW GGS entities where the Crown Entity assumes their long service leave and defined benefit superannuation liabilities, they do not recognise these liabilities in their Statement of Financial Position as their liability is extinguished. Instead they recognise a revenue and an expense equivalent to the liability assumed by the Crown. Refer Note 3(g).
TC18-10 TC15-09	However, for employee benefit liabilities that are not assumed by the Crown Entity, such as certain long service leave related on-costs and additional employee benefit costs that arise on incurring long service leave, including payroll tax, workers compensation insurance, annual leave accrued while on long service leave taken in service and defined contribution superannuation, a liability must be recognised per TC15-09.
TC15-09	6. Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using X% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability.
Employee benefits disclosure	
Treasury Mandates	7. Entities must disclose the aggregate liability and the aggregate asset arising from employee benefits and related on-costs that have been recognised in the financial statements, identifying the current and non-current portions, where applicable. On-costs include workers compensation insurance and payroll tax.
AASB 101.69	8. In accordance with AASB 101, all annual leave and unconditional long service leave must be classified as a current liability, even where the entity does not expect to settle the liability wholly within 12 months. This does not necessarily align with the distinction between short-term and long-term employee benefits under AASB 119. For example annual leave must be classified as 'current' in the Statement of Financial Position, but it is likely to be recognised and measured, as a long-term employee benefit.
TC15-09	

Commentary on Provisions	
AASB 101.61	<p>9. Notwithstanding this, AASB 101 provides that for each liability line item that combines amounts expected to be settled no more than 12 months after the reporting date and more than 12 months after the reporting date, an entity must disclose the amount expected to be settled after more than 12 months.</p>
<p>Superannuation liabilities</p>	
TC14-05	10. Where superannuation is not assumed by the Crown, there may be an unfunded superannuation liability that must be fully recognised and disclosed by the entity.
AASB 119.135-152	AASB 119 and TC18-10 set out the recognition and disclosure requirements in regard to defined benefit superannuation plans where the superannuation liabilities are not assumed by the Crown. Where the superannuation liabilities are not assumed, information to satisfy the AASB 119 disclosure requirements are provided to entities as part of the annual Superannuation Position Statement issued by Mercer Administration Services (Australia) Pty Ltd or the Energy Industries Superannuation Scheme.
TC18-10	
<p>Other provisions- recognition and measurement</p>	
AASB 137.5, 7	11. AASB 137 prescribes requirements for the recognition, measurement and disclosure of provisions and reimbursements receivable and disclosure of contingent liabilities and assets. Among other things, the Standard generally does not apply to 'employee benefits', which are subject to AASB 119 or 'financial instruments' that are within the scope of AASB 9 (from 1 July 2018) and AASB 139 (for comparative period 30 June 2018 only). The term 'provisions' does not include depreciation and doubtful debts as these are adjustments to the carrying amounts of assets. Provisions are a subset of liabilities. A provision is defined in AASB 137 as 'a liability of uncertain timing or amount'.
AASB 137.10	12. A provision must be recognised in the Statement of Financial Position when and only when:
AASB 137.14, 23	<ul style="list-style-type: none"> • an entity has a present obligation (legal or constructive) as a result of a past event • it is probable (more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and • a reliable estimate can be made of the amount of the obligation.
AASB 137.17	13. A past event that leads to a present obligation is called an obligating event. For an event to be an obligating event, it is necessary that the entity has no realistic alternative to settling the obligation. This is the case only: <ul style="list-style-type: none"> • where the settlement of the obligation can be enforced by law (a legal obligation exists) or • in the case of a constructive obligation, where the event (which may be an action of the entity) creates valid expectations in other parties that the entity will discharge the obligation.
AASB 137.36, 42, 45, 47	14. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation as at the reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditure expected to be required to settle the obligation. The discount rate shall be a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall not reflect risks for which future cash flow estimates have been adjusted.
TC11-17	For not-for-profit entities, the discount rate is to be based on the market yield on Commonwealth government bonds as published by the Reserve Bank of Australia, modified to reflect entity / liability specific risks.
AASB 119 Aus83.1	For-profit entities are required to use high quality corporate bond rates.
Treasury Mandates	
<p>Reimbursements</p>	
AASB 137.53	15. The Standard provides that when some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised as a separate asset when, and only when, it is virtually certain that the reimbursement will be received if the entity settles the obligation.
AASB 137.54	16. In these circumstances the expense recognised in respect of the provision may be presented net of the reimbursement.

Commentary on Provisions	
Restoration provisions	
AASB 137.17, 19-22	17. AASB 137 applies to provisions for the retirement or disposal of long lived assets. Obligations may be legal or constructive. However, it is only those obligations arising from past events that exist independently of an entity's future actions that are recognised as provisions. This may arise as a consequence of installation or as a consequence of using an item. Provisions cannot be recognised for major periodic maintenance or overhauls as there is no present obligation.
AASB 137.Appendix C	Examples in the Standard for provisions for restoration / remediation include: <ul style="list-style-type: none"> • penalties or clean-up costs for unlawful environmental damage • decommissioning costs of an oil installation or nuclear power station to the extent the entity is obliged to rectify damage already caused
Interpretation 1.6, Aus6.1	18. Any changes in decommissioning and restoration provisions must be accounted for in accordance with Interpretation 1. Under the revaluation model, any decrease in the liability must be credited directly to the asset revaluation surplus, except that it must be recognised in profit/loss to the extent that it reverses a previous revaluation decrease in respect of that class that is recognised in profit or loss. Any increase in the liability must be recognised in profit or loss, except that it must be debited to the revaluation surplus to the extent of any credit balance existing in the reserve for that class. However, where a decrease in the liability exceeds the amount that would have been recognised had the asset been carried under the cost model, the excess must be recognised immediately in profit or loss.
Restructuring	
AASB 137.71, 72 AASB 137.10	19. The Standard specifies the conditions under which provisions for restructurings are recognised, including restructurings occurring as a consequence of an acquisition of an entity or operation, and the costs that are included in such provisions. Restructuring is defined to mean a program that is planned and controlled by the entity's management and materially changes either the scope of a business undertaken by an entity or the manner in which that business is conducted.
Onerous contracts	
AASB 137.66, 68	20. If an entity has an onerous contract, the present obligation under the contract must be recognised and measured as a provision. An onerous contract is a contract under which the entity's unavoidable costs of meeting its obligations under the contract exceed the economic benefits expected to be received. While not explicit in the Australian Accounting Standard, the concept of onerous contracts is only relevant to the public sector in limited circumstances. <p>For example, where a public sector entity provides social benefits by delivering health, education, transport and other social services to the community, any contract to provide such benefits cannot be regarded as an onerous contract. This is because the nature of the benefit is such that there is no expectation that the public sector entity will receive consideration approximately equal to the value of goods and services provided, from the recipients of these benefits (i.e. the community).</p>
Other provisions – disclosure	
AASB 137.85	21. AASB 137 requires disclosure for each class of provision of: <ul style="list-style-type: none"> • a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits • an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, the entity shall disclose the major assumptions made concerning future events, and • the amount of any expected reimbursement, stating the amount of any asset recognised for that expected reimbursement.
AASB 137.84	22. Movements during the reporting period for each class of provision must also be disclosed. Comparatives are not required.
AASB 137.92	23. Entities are exempt from disclosure in the rare circumstances where disclosure would be expected to seriously prejudice the position of the entity in a dispute with other parties on the subject matter of the provision. However, the entity shall disclose the general nature of the dispute, together with the fact and reason why that information has not been disclosed.

25. Current / Non-Current Liabilities – Other liabilities

		2019 \$'000	2018 \$'000
Treasury Mandates	Liability for unspent appropriations drawn down		
	Unearned revenue		
	[Specify other major categories]		

Commentary on Other Liabilities	
Treasury Mandates	1. The notes are to disclose the liability for unspent appropriations drawn down, unearned revenue and any major categories of other liabilities. Current and non-current portions are to be separately disclosed.
Treasury Mandates	<p>Liability for unspent appropriations drawn down</p> <p>2. Employee benefits are defined in AASB 119 to mean all forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment. The Standard outlines recognition criteria and disclosure requirements for employee benefits, including salaries and wages (including non-monetary benefits), annual leave, sick leave, long service leave, profit sharing and bonus plans, termination benefits and other post-employment benefits.</p> <p>Multi-year government grant agreements</p>
Treasury Mandates AASB 137.Aus26.1- Aus26.2	<p>3. Where a government entity intends to make payments to other parties, whether as a result of government budget policy, election promises or a statement of intent, this does not of itself create a present obligation which is binding on the government entity. A liability would be recognised only where the government entity is committed in the sense that it has little or no discretion to avoid the sacrifice of future economic benefits.</p> <p>For example, a government entity does not have a present obligation to sacrifice future economic benefits under multi-year public policy grant agreements until the grantee meets conditions, such as grant eligibility criteria, or has provided the services or facilities required by the grant agreement. Where the grantee meets these conditions, only amounts outstanding in relation to current or previous periods satisfy the definition of liabilities.</p>

26. Equity

Revaluation surplus

AASB 101.79(b) The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the entity's policy on the revaluation of property, plant and equipment as discussed in Note 15.

Accumulated Funds

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

Reserves

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

Increase / Decrease in Net Assets from Equity Transfers

AASB 1004.58
TPP09-3
Treasury Mandates

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

Equity transfers - Recognition and Measurement

Interpretation 1038
AASB 1004.54-59

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by

AAS to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

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

AASB 138.63, 75
TPP09-3

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

Commentary on Increase / Decrease in Net Assets from Equity Transfers	
Contribution by or distribution to owners	
TPP09-3	1. In NSW, the transfer of net assets as a result of transfers effected by Orders under the Government Sector Employment Act 2013, other transfers of programs / functions or part thereof, equity appropriations and certain other transfers are designated by NSW Treasury as 'contributions by owners'. These transfers are regarded as contributions by owners, in terms of Interpretation 1038, as the Government has in effect made a policy decision to increase the financial resources of a public sector entity (i.e. the entity's equity). Transfers that are a 'restructure of administrative arrangements' with government controlled not-for-profit entities and for-profit government entities subject to AASB 1004 must be recognised as 'contributions by owners'.
AASB 1004.54-58	2. A 'restructure of administrative arrangements' is defined in AASB 1004 as: "The reallocation or reorganisation of assets, liabilities, activities and responsibilities amongst the entities that the government controls that occurs as a consequence of a rearrangement in the way in which activities and responsibilities are prescribed under legislation or other authority are allocated between the government's controlled entities". The scope of the requirements relating to 'restructures of administrative arrangements' is limited to the transfer of a 'business' (as defined in AASB 3 Business Combinations). A 'business' is defined in AASB 3 as "an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants" (AASB 3, Appendix A).
AASB 1004.Appendix A	
AASB 3.Appendix A	
Disclosure	
AASB 1004.58	3. AASB 1004 requires separate disclosure of the total amounts of any assets and liabilities recognised as a result of a restructuring of administrative arrangements during the financial year.
TPP09-3	4. This is further elaborated on in NSW Treasury's Policy. This Policy requires certain disclosures to be made in regard to transfers designated as contributions by owners (i.e. equity transfers), including details / amounts of assets and liabilities transferred.
AASB 5.Aus2.1, 33	5. AASB 5 does not apply to restructuring of administrative arrangements subject to AASB 1004. However, the AASB 5 discontinued operation disclosure requirements may apply in limited circumstances where restructures are not subject to AASB 1004. Where this is the case, AASB 5 requires additional disclosures.
Value of assets and liabilities transferred	
AASB 1004.BC28	6. In determining the value of assets transferred as a result of administrative restructuring that is subject to AASB 1004, assets need not be recognised at their fair values and may be recognised at the amounts at which the assets were recognised by the transferor entity immediately prior to the restructuring of administrative arrangements.
TPP09-3	
TPP09-3 AASB 116.31	7. Subject to para 8 below, in most instances there will not be a material difference between the fair value and the carrying amount of the asset (i.e. where the existing use is the same). This is because AASB 116 provides that where fair value is adopted, revaluations must be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Commentary on Increase / Decrease in Net Assets from Equity Transfers

	<p>8. For other equity transfers that are not subject to AASB 1004, the transferee must recognise transfers at fair value (subject to para 8 below). Where the existing use of the physical assets is different between the two entities, the transferor's fair value prior to the transfer will be different to the fair value of the asset recognised by the transferee. As a result, the difference in value between the carrying amount previously recognised by the transferor and the fair value to be recognised by the transferee is to be recognised by the transferor in its financial statements immediately prior to transfer.</p>
TPP09-3	<p>9. Other exceptions to the fair value measurement principle:</p>
AASB 138.63-64, 75	<ul style="list-style-type: none"> • Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market (AASB 138.75), the transferee recognises the asset at the transferor's carrying amount.
AASB 127.10	<ul style="list-style-type: none"> • Where the transferor does not recognise an internally generated intangible subject to AASB 138.63-64 (i.e. internally generated brands, mastheads, customer lists etc.), the transferee must not recognise that asset. • Where the only change is that a government-controlled entity becomes a subsidiary of another government-controlled entity, as described in TPP09-3 Section 6.5, Treasury's Policy permits but does not require entities to measure in the parent entity's financial statements, the parent entity's investment in the subsidiary at cost as permitted under AASB 127; and in the consolidated financial statements, the assets and liabilities based on their previous carrying amounts.
	<p>Example note disclosure</p> <p>The following example disclosure relates to an entity that has received / transferred out a program group and that has received an equity appropriation.</p>
AASB 1004.58	<p><u>Example Note Disclosure for Entity A</u></p> <p>a) Program Group X was transferred to Entity A from Entity C. b) Program Group Y was transferred to Entity B from Entity A. c) Equity appropriation received by Entity A to fund payment to for-profit Entity D.</p> <p>Descriptions of the purposes of the above program groups are in Note 9.</p> <p>Responsibility assumed for Program Group X Assets transferred from Entity C Plant and equipment Liabilities transferred from Entity C Provision for employee benefits Responsibility relinquished for Program Group Y Assets transferred to Entity B Plant and equipment Liabilities transferred to Entity B Provision for employee benefits Equity appropriation received Payment to adjust for-profit Entity D's capital structure (funded from equity Appropriation) Increase in net assets from equity transfers</p>

27. Commitments

		2019 \$'000	2018 \$'000
	a) Capital Commitments		
AASB 116.74(c) AASB 138.122(e)	Aggregate capital expenditure for the acquisition of [specify] contracted for at balance date and not provided for:		
	Within one year		
	Later than one year and not later than five years		
	Later than five years		
	Total (including GST)		
	b) Operating Lease Commitments		
AASB 117.35(a)	Entity as lessee		
	Future minimum rentals payable under non-cancellable operating lease as at 30 June are, as follows:		
	Within one year		
	Later than one year and not later than five years		
	Later than five years		
	Total (including GST)		
AASB 117.35(d)	<i>[General description of the lessee's leasing arrangements]</i>		
AASB 117.56(a)	Entity as lessor		
	Future minimum rentals receivable under non-cancellable operating lease as at 30 June are, as follows:		
	Within one year		
	Later than one year and not later than five years		
	Later than five years		
	Total (including GST)		
AASB 117.35(d)	<i>[General description of the lessee's leasing arrangements]</i>		

Commentary on Commitments	
	Disclosure
AASB 117.31-35	<p>1. AASB 117 requires entities to disclose, in respect of finance leases, a reconciliation between the total of future minimum lease payments at the end of the reporting period, and their present value. In addition, an entity shall disclose the total of future minimum lease payments at the end of the reporting period, and their present value, for each of the following periods:</p> <ul style="list-style-type: none"> • within 12 months • 12 months or longer and not longer than five years • longer than five years. <p>In respect of non-cancellable operating leases, entities must disclose the total of future minimum lease payments for the same periods as for finance leases above. When non-cancellable operating sub-leases are material, disclose a separate schedule for minimum lease payments as above.</p>
AASB 12.23(a)	2. Commitments relating to joint ventures and associates must be separately disclosed from other commitments.
Interpretation 1031	<p>Goods and Services Tax</p> <p>3. Consistent with Interpretation 1031 <i>Accounting for the GST</i> commitments must be shown inclusive of GST.</p> <p>However, the amount of any tax recoverable from or payable to the Australian Taxation Office included within commitments must also be disclosed.</p>

28. Contingent Liabilities and Contingent Assets

	2019 \$'000	2018 \$'000
<i>[Specify]</i>		
Contingent liabilities		
AASB 137.86	<i>[For each class of contingent liabilities, the following must be disclosed: a brief description of the nature of the contingent liability; an estimate of the potential financial effect (or statement that this is not practicable); an indication of the uncertainties relating to the amount or timing of any outflow; and the possibility of any reimbursement.]</i>	
AASB 7R.14-15	<i>[Disclose the carrying amount/fair value of any financial assets pledged as security / collateral for contingent liabilities.]</i>	
AASB 137.89	Contingent Assets <i>[For each class of contingent assets, the following must be disclosed: brief description of the nature of the contingent assets; and, where practicable, an estimate of the potential financial effect (or statement that this is not practicable).]</i>	

Commentary on Contingent Liabilities and Contingent Assets	
AASB 137.10	<p>1. AASB 137 provides that contingent liabilities are:</p> <ul style="list-style-type: none"> possible liabilities that arise from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or provisions that fail either or both the criteria for recognition as liabilities i.e. not probable or cannot be measured reliably.
AASB 137.10	<p>2. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.</p>
AASB 137.33-34, 53, 89	<p>3. AASB 137 adopts a 'prudent' approach and requires a separate asset to be recognised when the related realisation of revenue or expected recovery receivable is virtually certain. AASB 137 requires disclosure of contingent assets when realisation is probable.</p>
AASB 137.30, 86	<p>Therefore, the AASB 137 treatment of contingent assets and recoveries receivable is inconsistent with the treatment of contingent liabilities because liabilities are recognised when outflows of resources are probable and contingent liabilities are disclosed when the possibility of outflows is higher than remote but less than probable.</p>
AASB 137.86, 89	<p>4. The Standard provides that the following information for each class of contingent liabilities and contingent assets must be disclosed:</p> <ul style="list-style-type: none"> a brief description of the nature of the contingent liability / asset an estimate of the financial effect, or a statement that it is not practicable to make such an estimate when that is the case in relation to contingent liabilities, an indication of the uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement.
AASB 137.28, 34,	<p>5. When the probability of the contingent liability is remote, the entity need not make the above disclosures. For contingent assets, the above disclosures are required when the inflow of economic benefits is probable.</p>
AASB 12.23(b)	<p>6. Contingent liabilities relating to joint ventures and associates must be separately disclosed from other contingent liabilities.</p>
AASB 137.92	<p>7. Entities are exempt from disclosure in the rare circumstances where disclosure would be expected to seriously prejudice the position of the entity in a dispute with other parties on the subject matter of the contingent asset or liability. However, the general nature of the dispute, together with the fact and reason why that information has not been disclosed, must be stated.</p>

Commentary on Contingent Liabilities and Contingent Assets

AASB 137.32,
Appendix C, Ex 10

8. Examples of contingent liabilities and assets are included in the Standard – e.g. legal proceedings where damages are sought from the entity, but where lawyers advise that it is not probable the entity will be found liable.

29. Budget Review

AASB 1055.6

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net result

The actual net result was lower / higher than budget by \$X, primarily due to:

[Give detailed reasons for and quantify major variances between original budget and actual for expenses, revenue and gains/losses contributing to the Net Result variance].

AASB 1055.6(f)

Assets and liabilities

[Give detailed reasons for and quantify major variances between original budget and actual for current and non-current categories of assets and liabilities].

AASB 1055.6(f)

Cash flows

[Give detailed reasons for and quantify major variances between original budget and actual for cash flows from operating, investing and financing activities].

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

AASB 107.Aus20.2

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

	2019	2018
	\$'000	\$'000
Net cash used on operating activities		
Depreciation and amortisation expense		
Allowance for impairment		
Decrease / (increase) in provisions		
Increase / (decrease) in prepayments and other assets		
Decrease / (increase) in payables		
Net gain / (loss) on sale of property, plant and equipment and investment properties		
Net result		

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

AASB 1054.16

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

31. Non-cash Financing and Investing Activities

	2019 \$'000	2018 \$'000
AASB 107.43	<i>[Disclose investing and financing transactions/other events which do not result in cash flows]</i>	

Commentary on non-cash financing and investing activities

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

32. Trust Funds

Framework 49(a)

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

	2019 \$'000	2018 \$'000
Cash balance at the beginning of the financial year		
Add: Receipts		
Less: Expenditure		
Cash balance at the end of the financial year		

Commentary on Trust Funds

Disclosure of trust funds

Framework 49(a)

1. As the entity performs only a custodial role in respect of trust monies, and because the monies cannot be used to obtain benefits from its activities (i.e. the definition criteria for assets are not met), trust funds are not brought to account in the financial statements but are shown in the notes for information purposes.

Treasury mandates

2. Disclosure of types, purposes and movements of trust funds by broad categories.

33. Administered Assets and Liabilities

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

	Budget*		
	2019 \$'000	2019 \$'000	2018 \$'000
Administered Assets			
Receivables			
Land and buildings			
<i>[Other material categories]</i>			
Total Administered Assets			
Administered Liabilities			
Liability for unspent appropriations drawn down			
<i>[Other material categories]</i>			
Total Administered Liabilities			

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

[Refer Note 29 for details regarding major variances between budget and actual for 2019].

Commentary on Administered Assets and Liabilities

AASB 1050.11	1. An entity may manage government assets in the capacity of an agent and may incur liabilities which may, for example, involve a future disbursement from the Consolidated Fund or other Fund, but which will not involve a reduction of assets controlled by the entity. Assets and liabilities of this type are referred to in AASB 1050 <i>Administered Items</i> as administered assets and liabilities.
AASB 1050.7(c)(d) AASB 1050.11 Treasury Mandates	2. Administered assets and liabilities are not recognised in the Statement of Financial Position but are required by AASB 1050 to be disclosed in the notes, showing separately each major class of asset and liability. The Code extends these requirements to all NSW GGS entities.
AASB 1050.24	3. Administered assets and liabilities are reported on the same basis adopted for the recognition of assets and liabilities in the financial statements. 4. Entities must disclose administered assets and liabilities including receivables, land and buildings and other material categories. Receivables include administered income receivable (e.g. Consolidated Fund - taxes, fees and fines) and any deductions for the allowance for impairment.
AASB 1050.17 Treasury Mandates	5. Any liability for unspent appropriations drawn down calculated in the summary of compliance that relates to transfer payments must be disclosed in the administered assets and liabilities note. For further information regarding the calculation, refer to the commentary to the summary of compliance.
AASB 1055.7(a)	6. An entity with administered items included in its original budgeted financial statements presented to Parliament must disclose the corresponding budgeted amount for these items for the current financial year.
AASB 1055.7(b)	7. Entities disclosing original budgeted amounts for administered items must quantify major variances between the budgeted and actual amounts for these items, and give detailed reasons for the variances in Note 29.

34. Financial Instruments

AASB 7R.31
AASB 7.31

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

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

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

a) Financial instrument categories

i. As at 30 June 2019 under AASB 9

AASB 7R.8

Class	Note	Category	Carrying Amount \$'000
Financial Assets			
Cash and cash equivalents	10	N/A	
Receivables ¹	11	Amortised cost	
Financial assets at fair value	13	Fair value through profit or loss – mandatory classification Fair value through profit or loss – designated as such at initial recognition Fair value through other comprehensive income Fair value through other comprehensive income – designated as such at initial recognition ³	
Other financial assets	14	Amortised cost	
Financial Liabilities			
Payables ²	22	Financial liabilities measured at amortised cost	
Borrowings	23	Financial liabilities measured at amortised cost	
	23	Fair value through profit or loss – designated as such at initial recognition	

Notes

AASB 132.AG11-AG12

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (not within scope of AASB 7).
3. Only applicable to equity instruments

34. Financial Instruments

ii. As at 30 June 2018 under AASB 139 (comparative period)

AASB 7.8

Class	Note	Category	Carrying Amount \$'000
Financial Assets			
Cash and cash equivalents	10	N/A	
Receivables ¹	11	Loans and receivables (at amortised cost)	
Financial assets at fair value	13	Financial assets at fair value through profit or loss – classified as held-for-trading	
		Financial assets at fair value through profit or loss – designated as such at initial recognition	
		Available-for-sale financial assets	
Other financial assets	14	Loans and receivables (at amortised cost)	
		Held-to-maturity investments	
Financial Liabilities			
Payables ²	22	Financial liabilities measured at amortised cost	
Borrowings	23	Financial liabilities measured at amortised cost	
	23	Fair value through profit or loss – designated as such at initial recognition	

Notes

AASB 132.AG11-AG12

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (not within scope of AASB 7).

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

b) Derecognition of financial assets and financial liabilities

AASB 9.3.2.3(a)
AASB 139.17(a)

AASB 9.3.2.3(b)
AASB 139.17(b)

AASB 9.3.2.4(a)
AASB 139.18(a)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the entity has transferred substantially all the risks and rewards of the asset; or
- the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

AASB 9.3.2.4(b)
AASB 139.18(b)

When the entity has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

AASB 9.3.2.6
AASB 139.20

AASB 9.3.2.16
AASB 139.30

34. Financial Instruments

AASB 9.3.2.17
AASB 139.31

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

AASB 9.3.2.16(a)
AASB 139.30(a)

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

AASB 9.3.3.1
AASB 139.39
AASB 9.3.3.2
AASB 139.40
AASB 9.3.3.3
AASB 139.41

c) Offsetting financial instruments

AASB 132.42

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

d) Financial risks

i. Credit risk

[NB: Entity must review its own circumstances and amend this note accordingly]

AASB 7R.AppA
AASB 7.AppA
AASB 7R.35K(a), 36
AASB 7.36

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

AASB 7R.33
AASB 7.33

Credit risk arises from the financial assets of the entity, including cash, receivables, and authority deposits. No collateral is held by the entity. The entity has not granted any financial guarantees [details are required to be disclosed where collateral is held or guarantees have been granted].

Credit risk associated with the entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

AASB 7R.35F(b)
AASB 9.5.5.9
AASB 9.B5.5.37

The entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

Cash and cash equivalents

AASB 7R.21
AASB 7.21

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in market risk below.

Accounting policy for impairment of trade debtors and other financial assets under AASB 9

Receivables - trade debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

34. Financial Instruments

AASB 101.117
AASB 7R.21
AASB 9.5.5.15

The entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

AASB 7R.35F(c)

To measure the expected credit losses, trade receivables *[if applicable - and contract assets]* have been grouped based on shared credit risk characteristics and the days past due.

AASB 7R.35G

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The entity has identified *[the GDP and the unemployment rate]* to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

AASB 7R.35F(e)

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than [xx] days past due.

AASB 7R.35M
AASB 7R.35N

The loss allowance for trade debtors as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows:

	30 June 2019					Total
	Current	<30 days	30–60 days	61–90 days	>91 days	
Expected credit loss rate						
Estimated total gross carrying amount at default						
Expected credit loss						

	1 July 2018					Total
	Current	<30 days	30–60 days	61–90 days	>91 days	
Expected credit loss rate						
Estimated total gross carrying amount at default						
Expected credit loss						

AASB 132.AG12

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 11.

AASB 7R.34(c)
AASB 7R.35B(c),
35M

The entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2019. Most of the entity's debtors have a [XXX] credit rating.

Other financial assets - Authority Deposits

AASB 7R.35F.(a)(i)

The entity has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. These deposits are considered to be low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. The entity recognised provision for expected credit losses on its other financial assets in the amount of \$xx in 2019.

34. Financial Instruments

[Include below if applicable]

Debt financial assets at fair value through other comprehensive income

The entity invests only on quoted debt securities with very low credit risk. The entity's debt instruments at fair value through other comprehensive income comprised solely of quoted bonds that are graded in the top investment category by Standard and Poor's and, therefore, are considered to be low credit risk investments. The loss allowance recognised during the period was therefore limited to 12 months expected losses. The entity recognised provision for expected credit losses on its debt instruments at fair value through other comprehensive income in the amount of \$xx in 2019.

Accounting policy for impairment of trade debtors and other financial assets under AASB 139 (comparative period only).

AASB 101.117
AASB 7.21

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debtors which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. *[Sales are made on [X] day terms].*

AASB 7.36(c)
AASB 7.37

For the comparative period 30 June 2018, the ageing analysis of trade debtors is as follows:

Neither past due nor impaired
Past due but not impaired
 < 3 months overdue
 3 months – 6 months overdue
 > 6 months overdue

Impaired
 < 3 months overdue
 3 months – 6 months overdue
 > 6 months overdue

AASB 7.6

Total receivables - gross of allowance for impairment

AASB 132.AG12

Notes: The ageing analysis excludes statutory receivables and prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 11.

AASB 7.34(c)

The entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2018. Most of the entity's debtors have a [XXX] credit rating.

Other financial assets - Authority Deposits

AASB 7.21,
AASB 7.36(c)

The entity has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. *There were no indicators for impairment on these securities during the year.*

[Include below if applicable]

Available-for-sale debt financial assets

AASB 7.21
AASB 7.36(c)

The entity invests only on quoted debt [and / or equity securities] that are graded in the top investment category by Standard and Poor's and, therefore, are considered to be low credit risk investments. There were no indicators for impairment on these deposits during the year.

34. Financial Instruments

ii. Liquidity risk

AASB 7R.AppA
AASB 7R.33, 39(c)
AASB 7.AppA
AASB 7.33, 39(c)

Liquidity risk is the risk that the entity will be unable to meet its payment obligations when they fall due. The entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

[Details of credit standby arrangements of the entity; and a summary of the used and unused loan facilities of the entity, as this is considered a best practice disclosure.]

AASB 7R.18
AASB 7.18

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. The entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was [X]% (2018 – [X]%).

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

AASB 7R.39(a)(b)
AASB 7.39(a)(b)*Maturity analysis and interest rate exposure of financial liabilities*

	Weighted Average Effective Int. Rate %	Nominal Amount ¹ \$'000	Interest rate exposure			Maturity dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
2019								
Payables								
Borrowings								
Derivatives								
Bank overdraft								
Advances repayable								
TCorp borrowings								
Other loans and deposits								
Finance leases								
[Specify other major classes]								
2018								
Payables								
Borrowings								
Derivatives								
Bank overdraft								
Advances repayable								
TCorp borrowings								
Other loans and deposits								
Finance leases								
[Specify other major classes]								

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the amounts in the Statement of Financial Position.
- Of the \$X disclosed in the 2018 'other loans and deposits' time band 1-5 years, the entity intends to repay \$X in the first quarter of FY 2019-20.

AASB 7.B10A

iii. Market risk

AASB 7R.AppA
AASB 7.AppA
AASB 7R.33
AASB 7.33

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

AASB 7R.40, B17-21
AASB 7.40, B17-21

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2018. The analysis assumes that all other variables remain constant.

Interest rate risk

AASB 7R.B22
AASB 7.B22

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the entity's interest-bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The entity does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income or available-for-sale (until 30 June 2018). Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- X% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

AASB 7R.22A
AASB 7.22A

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

AASB 7R.40(a)
AASB 7.40(a)

	2019 \$'000		2018 \$'000	
	-1%	+1%	-1%	+1%
Net Result				
Equity				

AASB 7R.B25 - B28
AASB 7.B25 - B28

AASB 7R.33
AASB 7.33

Other price risk – TCorpIM Funds

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

Facility	Investment Sectors	Investment Horizon	2019 \$'000	2018 \$'000
Cash facility	Cash and money market instruments	Up to 1.5 years		
Strategic cash facility	Cash and money market instruments	1.5 years to 3 years		
Medium-term growth facility	Cash, money market instruments, Australian and international bonds, listed property and Australian shares	3 years to 7 years		
Long-term growth facility	Cash, money market instruments, Australian and international bonds, listed property and Australian shares	7 years and over		

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

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

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

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

TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e. 95% probability). The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results. A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement).

AASB 7R.40(b)
AASB 7.40(b)

AASB 7R.40(a)
AASB 7.40(a)

	Change in unit price	Impact on net result / equity	
		2019 \$'000	2018 \$'000
TCorpIM Funds – Cash facility	+/-V%		
TCorpIM Funds – Strategic cash facility	+/-W%		
TCorpIM Funds – Medium-term growth facility	+/-Y%		
TCorpIM Funds – Long-term growth facility	+/-Z%		

e) Fair value measurement

i. Fair value compared to carrying amount

AASB 13.9

AASB 13.16

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

AASB 7R.25-26,29
AASB 7.25-26,29

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

AASB 13.93(a)

AASB 7R.25-26
AASB 7.25-26

	2019		2018	
	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000
Financial assets [Describe]				
Financial liabilities [Describe]				

ii. Fair value recognised in the Statement of Financial Position

AASB 7R.29
AASB 7.29

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

AASB 13.93(d)

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

AASB 13.61

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

AASB 13.72-90, 91-99

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

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

AASB 13.93(b)

	2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value				
Derivatives				
TCorpIM funds				
[Other categories]				

AASB 13.93(b)

	2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value				
Derivatives				
TCorpIM funds				
[Other categories]				

[The tables above include only financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.]

- AASB 13.93(c) *[There were no transfers between Level 1 or 2 during the periods.]*
- AASB 13.93(d) The value of the TCorpIM Funds is based on the entity's share of the value of the underlying assets of the facility, based on the market value. All of the TCorpIM Funds facilities are valued using 'redemption' pricing.
- AASB 13.93(d) *[For other Level 2 and 3 fair value measurements, a description of the valuation technique(s) and inputs used in the fair value measurement. If there has been a change in valuation technique, the entity must disclose that change and reasons for making it.]*
- AASB 13.93(d)(g)(h)(i) *[Additional disclosure requirements for Level 3 measurements including:*
- *quantitative information about significant unobservable inputs, where reasonably available*
 - *a description of the valuation processes used*
 - *a narrative description of sensitivity to changes in unobservable inputs that may significantly impact on fair value, including a description of interrelationships between those inputs and other unobservable inputs and how the entity might magnify or mitigate the effects of the changes.*
- To comply with this disclosure requirement, the narrative description of the sensitivity to changes in unobservable inputs shall include, at a minimum, the unobservable inputs disclosed if significant, the effect of a change to reasonably possible alternative assumptions. How the effect of a change to reflect a reasonably possible alternative assumption was calculated.]*
- AASB 13.93(e) iii. Reconciliation of Level 3 fair value measurements

	[Class/es] \$'000	Total Level 3 \$'000
Opening balance 1 July 2018		
Total gains or losses		
- in net result ('other gains/losses')		
- in other comprehensive income ('other net increases/ decreases in equity')		
Purchases		
Sales		
Issues		
Settlements		
Transfers into Level 3		
Transfers out of Level 3		
[Other categories – specify]		
Closing balance 30 June 2019		
Opening balance 1 July 2017		
Total gains or losses		
- in net result ('other gains/losses')		
- in other comprehensive income ('other net increases/ decreases in equity')		
Purchases		
Sales		
Issues		
Settlements		
Transfers into Level 3		
Transfers out of Level 3		
[Other categories – specify]		
Closing balance 30 June 2018		

AASB 13.93(f) Of total gains or losses included in the net result, \$X (\$Y in 2017) relates to assets held at the end of the reporting period.

AASB 13.93(e)(iv) [Disclose reasons for transfers into or out of Level 3].

Commentary on financial Instruments

Background

AASB 7R.7
AASB 7.7

1. The commentary below discusses the AASB 7, AASB 13 and AASB 132 disclosure requirements that are illustrated above in the example note disclosure. Entities should modify or add to NSW Treasury's suggested disclosures to suit their own circumstances, including quantitative disclosures based on information provided internally to the entities' key management personnel. The format of presentation is a decision to be made by each entity. The note is based on those financial instruments that are typically held by General Government Sector entities in the NSW Public Sector.
2. AASB 7 requires detailed disclosures to assist users in assessing the nature and extent of risk related to financial instruments and how they are managed. An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance.
3. The Standard allows disclosure of the prescribed information in either a separate note, or across existing notes to the financial statements. The suggested disclosures above are based on the core financial instrument information being presented in one note. The disclosures in this note cover the following main areas:
 - categories of financial instruments (AASB 7R.8; AASB 7.8)
 - fair value (AASB 7R.25-30; AASB 7.25-30)
 - financial risk management objectives and policies (AASB 7R.31-42; AASB 7.31-42)
 - Other AASB 7 disclosures, however, are disclosed across existing notes to the financial statements.
4. AASB 13 requires extensive disclosures for assets measured at fair value in the Statement of Financial Position after initial recognition. This includes disclosing the valuation techniques and inputs, and for Level 3, fair value measurements, the effect of the measurements on the net result or other comprehensive income for the period.
5. Entities should modify or add to NSW Treasury's suggested disclosures below to suit their own circumstances, including quantitative disclosures based on information provided internally to the entities' key management personnel. The format of presentation is a decision to be made by each entity. The note is based on those financial instruments that are typically held by General Government Sector entities in the NSW Public Sector.

Scope of accounting standard for disclosure on financial instruments

AASB 132.11

6. AASB 7 does not apply to the following items as they are not financial instruments as defined in para 11 of AASB 132:
 - prepayments made (right to receive future good or service, not cash or a financial asset)
 - tax receivables and payables and similar items (statutory rights or obligations, not contractual), or
 - contract liabilities (obligation to deliver good or service, not cash or financial liability).

AASB 7R.5A

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

Categories of financial instruments under AASB 9 from 1 July 2018

AASB 7R.8

7. An entity must disclose the following categories, as defined in AASB 9, either on the face of the Statement of Financial Position or in the notes:
 - financial assets measured at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently and (ii) those mandatorily measured at fair value through profit or loss in accordance with AASB 9.
 - financial assets measured at amortised cost
 - financial assets measured at fair value through other comprehensive income, showing separately (i) financial assets that are measured at fair value through other comprehensive income in accordance with AASB 9; and (ii) investments in equity instruments designated as such upon initial recognition in accordance with AASB 9

Commentary on financial Instruments	
AASB 7.8	<ul style="list-style-type: none"> • financial liabilities at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently and (ii) those that meet the definition of held for trading in accordance with AASB 9. • financial liabilities measured at amortised cost. <p>Categories of financial instruments under AASB 139 (comparative period only)</p> <p>8. An entity must disclose the following categories, as defined in AASB 139, either on the face of the Statement of Financial Position or in the notes:</p> <ul style="list-style-type: none"> • Financial assets at fair value through profit or loss, showing separately (i) those designated upon initial recognition; and (ii) those classified as held for trading in accordance with AASB 139 • Held-to-maturity investments • Loans and receivables • Available-for-sale financial assets • Financial liabilities at fair value through profit or loss, showing separately (i) those designated upon initial recognition; and (ii) those classified as held for trading in accordance with AASB 139 and • Financial liabilities measured at amortised cost.
AASB 7R.12B	<p>Reclassification of financial assets under AASB 9 from 1 July 2018</p> <p>9. If the entity changed its business model during the period which resulted in a reclassification consistent with AASB 9, the entity shall disclose the date of reclassification, a detailed explanation of the change in business model and a qualitative description of its effect on the entity's financial statements and amount reclassified into and out of each category.</p>
AASB 7R.12C	<p>10. If the entity reclassified financial assets out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income in accordance with AASB 9, it must make additional disclosures under AASB 7R, for each reporting period following reclassification until derecognition. Few entities are expected to be impacted.</p>
AASB 7R.12D	<p>11. If the entity has reclassified a financial asset out of the fair value through other comprehensive income category so that they are measured at amortised cost or out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income it must make additional disclosures under AASB 7R, including the amount reclassified. Few entities are expected to be impacted.</p>
AASB 7.12	<p>Reclassification of financial assets under AASB 139 (comparative period only)</p> <p>12. If the entity has reclassified a financial asset as one measured at cost or amortised cost, rather than at fair value or at fair value, rather than at cost or amortised cost, it shall disclose the amount reclassified into and out of each category and the reason for that reclassification (see para 51-54 of AASB 139).</p>
AASB 7.12A	<p>13. If the entity has reclassified a financial asset out of the fair value through profit or loss category in accordance with paragraph 50B or 50D of AASB 139 or out of the available-for-sale category in accordance with paragraph 50E of AASB 139, it must make additional disclosures under AASB 7, including the amount reclassified. Few entities are expected to be impacted.</p>
AASB 101.Aus1.7	<p>Capital management objectives</p> <p>14. Not-for-profit entities are exempt from the capital management disclosure requirements in AASB 101.134-136.</p>
AASB 7R.31-42 AASB 7.31-42	<p>Nature and extent of risks arising from financial instruments</p> <p>15. An entity must disclose information to allow users to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the reporting date and how they are managed. These risks include:</p>
AASB 7R App A AASB 7.App A	<ul style="list-style-type: none"> • Credit risk; i.e. the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. • Liquidity risk; i.e. the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. • Market risk; i.e. the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; i.e. currency risk, interest rate risk and other price risk.

Commentary on financial Instruments

AASB 7R.33-35
AASB 7.33-35

Qualitative and quantitative disclosures

16. For each type of risk arising from financial instruments, an entity must disclose the exposures to risk and how they arise, its objectives, policies and processes for managing the risk and the methods to measure risk, as well as any changes from the previous period.
17. For each type of risk, an entity must disclose summary quantitative data about its exposure to that risk at the reporting date, based on the information provided internally to key management personnel of the entity (as defined in AASB 124 *Related Party Disclosures*); for example, the Board or chief executive officer.
18. Entities are also required to disclose the credit risk, liquidity risk and market risk disclosures discussed below, to the extent not already provided (unless the risk is not material) and the concentrations of risk if this is not apparent from the disclosures provided. If the quantitative data disclosed at the reporting date is not representative of the exposure to risk during the period, an entity must provide further information that is representative.
19. To assist in these disclosures, NSW TCorp will provide the following information to entities, where relevant:
 - Unrealised gains / losses on derivatives, including commodity swaps, FX forwards and currency options.
 - Contractual maturity analysis for entity liabilities payable to TCorp, based on undiscounted cash flows (including fixed / variable loans).
 - Sensitivity analysis information for each of the TCorp IM Funds facilities and for derivatives.
 - For managed asset and debt clients, additional qualitative disclosures (see extract below) and certain quantitative disclosures.
20. Suggested disclosures for TCorp managed asset and debt clients:

AASB 7R.20(a)(i)
AASB 7.20(a)(i)

AASB 7R.39
AASB 7.39

AASB 7R.40
AASB 7.40

Managed debt portfolios

NSW TCorp manages interest rate risk exposures applicable to specific borrowings of [the entity] in accordance with a debt portfolio mandate agreed between the two parties. TCorp receives a fee for this service. At the reporting date, the carrying value of borrowings and derivatives (net of funds held at call) managed by TCorp stood at \$XX million (2018: \$XX million).

Managed asset portfolios

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

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

At reporting date, the carrying value of securities, derivatives, and funds at call, managed by TCorp stood at \$XX million (2018: \$XX million).

AASB 7R35A-38

Credit risk under AASB 9 from 1 July 2018

AASB 7R.35F

21. An entity must disclose its credit risk management practices; information about expected credit losses; credit risk exposures; and collateral and other credit enhancements, including the following:
 - how an entity determined whether the credit risk of financial instruments has increased significantly since initial recognition
 - definition of default, and reasons for that definition

Commentary on financial Instruments	
AASB 7R.35G	<ul style="list-style-type: none"> • how the instruments were grouped, if expected credit losses were measured on a collective basis • how to determine that financial assets are credit-impaired • write-off policy, including the indicators that there is no reasonable expectation of recovery, and information about the policy for financial assets that are written off but are still subject to enforcement activity • the inputs, assumptions and estimation techniques used to apply the impairment requirements in AASB 9 • how forward-looking information has been incorporated into the determination of expected credit losses, including the use of macro-economic information • changes in the impairment estimation techniques or significant assumptions made during the reporting period, and the reasons for those changes
AASB 7R.35I	<ul style="list-style-type: none"> • an explanation of how significant changes in the gross carrying amount of financial instruments during the period contributed to changes in the loss allowance, including origination or acquisition of assets and write-offs
AASB 7R.35K	<ul style="list-style-type: none"> • by class of financial instrument, the maximum exposure to credit risk, without taking into account collateral or other credit enhancements • a description of collateral held as security and other credit enhancements, and their financial effect (e.g. a quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk.
AASB 7R.35L	<ul style="list-style-type: none"> • contractual amounts outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity
AASB 7R.35M	<ul style="list-style-type: none"> • maximum risk exposures by credit risk rating grades, the gross carrying amount of financial assets, showing separately those assets which the allowance is measured using the 12 month expected credit losses, those which the allowance is measured based on lifetime expected credit losses or which are credit impaired. This information could be based on a provision matrix (see para B5.5.35 of AASB 9)
AASB 7R.38	22. If applicable, when an entity takes possession during the period of collateral or other credit enhancements that meet the recognition criteria, the entity must disclose for such assets held at the reporting date the nature and carrying amount of the assets; and its policies for disposing of such assets or using them in its operations (when not readily convertible to cash).
AASB 9.5.1.15(a) AASB 15 AppA	23. The impairment rules in AASB 9 also apply to contract assets. A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as financial assets that are within the scope of AASB 9.
AASB 7.36-38	Credit risk under AASB 139 (comparative period only)
AASB 7.App B9-B10	24. An entity must disclose by class of financial instrument: <ul style="list-style-type: none"> • The amount that best represents its maximum exposure to credit risk at the reporting date, excluding any collateral held or other credit enhancements. For a financial asset this is typically the gross carrying amount, net of any offsets and impairment losses. This disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. • A description of collateral held as security and other credit enhancements, and their financial effect (e.g. a quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk. • Information about the credit quality of financial assets that are neither past due nor impaired.
AASB 7.37	25. Activities that give rise to credit risk include granting loans and receivables to customers, placing deposits with other entities and granting financial guarantees. For a financial guarantee, the maximum exposure to credit risk is the maximum amount the entity would have to pay if the guarantee is called on, which may be significantly greater than the amount recognised.
AASB 7.37	26. An entity must disclose by class of financial asset: <ul style="list-style-type: none"> • an analysis of the age of financial assets that are past due as at the reporting date but not impaired; and

Commentary on financial Instruments

<p>AASB 7.38</p>	<ul style="list-style-type: none"> an analysis of financial assets that are individually determined to be impaired as at the reporting date, including factors the entity considered in determining that they are impaired. <p>27. When an entity takes possession during the period of collateral or other credit enhancements that meet the recognition criteria, the entity must disclose for such assets held at the reporting date the nature and carrying amount of the assets; and its policies for disposing of such assets or using them in its operations (when not readily convertible to cash).</p>
<p>AASB 7R.39 AASB 7.39</p> <p>AASB 7R.App B10A-B11F AASB 7.App B10A-B11F</p>	<p>Liquidity risk</p> <p>28. An entity must disclose:</p> <ul style="list-style-type: none"> a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts) that shows the remaining contractual maturities; a maturity analysis for derivative financial liabilities, including the remaining contractual maturities for those derivative financial liabilities for which contractual maturities are essential for an understanding of the timing of the cash flows; and a description of how it manages the liquidity risk inherent in the above. As the amounts included in the maturity tables are the contractual undiscounted cash flows, including principal and interest payments, these amounts will not reconcile to the amounts disclosed in the statement of financial position. In particular as far as borrowings or derivative financial instruments are concerned. Entities can choose to add a column with the carrying amounts which ties into the statement of financial position and a reconciling column if they so wish, but this is not mandatory. In preparing this disclosure, an entity shall not separate an embedded derivative from a hybrid (combined) financial instrument.
<p>AASB 7R.B11C(a)-(c) AASB 7.B11C(a)-(c)</p>	<p>29. When a counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the entity can be required to pay the amount. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.</p>
<p>AASB 7R.B10A AASB 7.B10A</p>	<p>30. An entity discloses summary information about its exposure to liquidity risk based on information provided internally to key management personnel. An entity shall explain how the information is determined.</p>
<p>AASB 7R.B11E AASB 7.B11E</p>	<p>31. An entity shall disclose a maturity analysis of financial assets it holds for managing liquidity risk if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk.</p>
<p>AASB 7R.40-42 AASB 7R.App B17-B21 AASB 7.40-42 AASB 7.App B17-B21</p>	<p>Market risk</p> <p>32. Unless an entity prepares a sensitivity analysis such as value-at-risk (VaR) that reflects interdependencies between risk variables, an entity must disclose a sensitivity analysis for each type of market risk (e.g. interest rate risk, currency risk or other price risk) to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. The entity must also disclose the methods and assumptions used in preparing the sensitivity analysis and any changes from the previous period and the reasons for such changes.</p> <p>33. In determining a reasonably possible change in the relevant risk variable, an entity should consider the economic environment in which it operates (it should not include remote or worst case scenarios or stress tests) and the time frame over which it is making the assessment. The sensitivity analysis must show the effects of changes that are considered to be reasonably possible over the period until its next annual reporting period.</p>
<p>AASB 107.50(a) AASB 7R.39(c)</p>	<p>Financing arrangements</p> <p>34. Committed borrowing facilities are a major element of liquidity management. Entities should therefore consider providing information about their undrawn facilities. AASB 107 also recommends disclosure of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities.</p>

Commentary on financial Instruments	
	Fair value
AASB 7R.25, 29 AASB 7.25, 29	35. An entity must disclose for each class of financial assets and liabilities (except where, for example, the carrying amount is a reasonable approximation of fair value), the fair value of that class compared to its carrying amount.
AASB 13.91	36. Where financial instruments are measured at fair value in the Statement of Financial Position after initial recognition, an entity must disclose information to help users assess the valuation techniques, inputs and for level 3 measurements, the effect on the profit/loss or other comprehensive income.
AASB 13.92	37. In making disclosures, the entity must consider the level of detail necessary, the emphasis on each of the requirements, the level of aggregation and whether users need additional information to evaluate the quantitative information. Where disclosures provided in accordance with the Accounting Standards are insufficient to help users' assessments, additional information must be disclosed.
AASB 13.93, 97	38. To help users make their assessments, AASB 13 sets out the minimum disclosures required for each class of assets and liabilities measured at fair value in the Statement of Financial Position after initial recognition – refer AASB 13.93(a) to (i). In addition, certain disclosures are also required for assets and liabilities not measured at fair value in the Statement of Financial Position but for which the fair value is disclosed (AASB 13.97).
AASB 13.93(a)	39. The illustrative disclosure provided in Note 34 assumes that all fair value disclosures of financial instruments are 'recurring' fair value measurements under AASB 13.
AASB 13.94	40. An entity needs to determine appropriate classes on the basis of nature, characteristics and risks of the asset and level of the fair value hierarchy. The number of classes may need to be greater for level 3 valuations as measurements have a greater degree of uncertainty and subjectivity. A single class may include valuations at different levels of the fair value hierarchy, but an entity may need to further disaggregate if different categories indicate the assets are different in nature, characteristics or risks.
AASB 13.95	41. An entity must disclose and consistently follow the policy for determining transfers between levels in hierarchy and must apply the same policy for transfers in and transfers out of levels.
AASB 13.99	42. An entity must present quantitative disclosure in a table unless another format is more appropriate.
AASB 7R.28 AASB 7.28	43. In respect of any 'day one' gains or losses, the entity must disclose by class of financial asset or financial liability the: <ul style="list-style-type: none"> • accounting policy for recognising that difference in profit or loss to reflect a change in factors that market participants would consider when pricing, • aggregate difference yet to be recognised in profit or loss at the beginning and end of the period and a reconciliation of changes in the balance of this difference, and • why the entity concluded the transaction price was not the best evidence of fair value, including a description of the evidence that supports the fair value.
	Offsetting financial assets and financial liabilities
AASB 7R.13A-13F AASB 7.13A-13F	44. Additional disclosures are required for all recognised financial instruments set off in accordance with AASB 132.42. These disclosures also apply to recognised financial instruments subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with AASB 132.42. Refer AASB 7.13A-13F for details of disclosure requirements.
	Transfer of financial assets
AASB 7R.42A-42H AASB 7.42A-42H	45. Separate note disclosure is required for transferred financial assets that are: <ul style="list-style-type: none"> • not derecognised in their entirety and • derecognised in their entirety but the entity has continuing involvement in the transferred financial assets

35. Related Party Disclosures

AASB 124.17

The entity's key management personnel compensation are as follows:

Short-term employee benefits:

	2019 \$'000	2018 \$'000
Salaries		
Other monetary allowances		
Non-monetary benefits		
Other long-term employee benefits		
Post-employment benefits		
Termination benefits		
Total remuneration		

AASB 124.18, 19

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

AASB 124.18, 21

	2019 \$'000	2018 \$'000
	Net	Net
	Transaction receivable/ value (payable)	Transaction receivable/ value (payable)
Sales of goods		
Purchases of goods		
Services received		

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

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

AASB 124.26

The entity entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the entity's sale of goods/ rendering of services/ receiving of services [refer to AASB 124.21 for more transaction categories].

AASB 124.18A

During the year, the entity incurred \$XX (2018: \$xx) in respect of the key management personnel services that are provided by a separate management entity [name of the entity].

Commentary on related party disclosures

Key management personnel compensation

AASB 124.9

1. Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

AASB 124.17
NSW TC 16-12

2. Compensation is aggregated by the following categories: (a) short-term employee benefits (b) post-employment benefits (c) other long-term benefits and (d) termination benefits. Each of these four categories may be disaggregated by position of KMP e.g. Secretary, Deputy Secretary, Board of Directors (executive / non-executive), Other Senior executives etc.

AASB 124.9

3. Compensation includes:

- Short-term employee benefits including wages, salaries, social security contributions, paid annual leave and paid sick leave, allowances, profit-sharing or bonuses (if payable within twelve months of the end of the financial year) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services);
- Other long-term employee benefits (benefits other than short-term, termination or post-employment benefits), such as long service leave or sabbatical leave,

Commentary on related party disclosures

jubilee or other long service benefits, long-term disability benefits and, if not payable wholly within twelve months of the end of the financial year, profit-sharing, bonuses and deferred compensation; and

- Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance, and post-employment medical care.
4. If an entity provides non-monetary benefits to Ministers, they should calculate the monetary value of such benefits and disclose them as 'non-monetary benefits' under 'short-term employee benefits' as part of KMP compensation disclosure.

Management entity

AASB 124.17A

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

AASB 124.18A

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

AASB 124.IG8

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

AASB 124.18, 19
NSW TC 16-12

Related party transactions

6. The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by preparers of financial statements. This includes the extent to which related party items of a similar nature can be disclosed in aggregate.

7. Therefore, it is important to understand that the disclosures in the following examples could vary depending on the circumstances of the entity making the disclosures and factors such as the nature of the transactions, the relationships and materiality.

8. Disclosure Example 1:

The following arm's length transactions have been identified as material for disclosure in the financial statements of Government agency 'XYZ' for FY 2019:
A controlled entity of the daughter of the CEO entered in to a cleaning contract with XYZ to provide cleaning services for the office buildings. During the year, services of \$1.5 million were rendered and a payable of \$0.2 million remained outstanding in the books of XYZ at the year end.

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

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

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

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

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

9. Disclosure Example 2:

The following arm's length transactions have been identified as material for disclosure in the financial statements of Government agency 'ABC' for FY 2019:

ABC sold \$5 million worth of goods during the year to the jointly controlled entity of the son of the CEO, of which \$0.5 million was receivable at the year end.

ABC purchased office equipment worth \$1 million during the year from the controlled entity of the daughter of the Executive Director, of which \$0.2 million was payable as at the year end.

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

A controlled entity of the COO provided legal services of \$1.5 million during the year to ABC, of which \$0.2 million was payable as at year end.

The CEO, Executive Director, CFO and COO are assessed to be KMP of ABC.

Commentary on related party disclosures

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

During the year, the entity entered in to transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof. The aggregate value of the transactions and outstanding balances are as follows:

Nature of transaction	Transaction value \$'000	Net receivable / (payable) as at 30 June 2019 \$'000
Sales of goods	5,000	500
Purchases of goods	1,000	(200)
Services received	2,500	(200)

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

Government-related entities

AASB 124.26

10. Government-related entities are those that are controlled or jointly controlled or significantly influenced by the NSW Government. The nature and amount of each individually significant transaction must be disclosed.

Treasury Mandates

For transactions with government-related entities that are collectively, but not individually, significant, agencies must provide a qualitative description.

36. Events after the Reporting Period

AASB 110

[Disclose details of events after the reporting period as required by AASB 110]

Commentary on events after the reporting period

AASB 110.19-20

1. AASB 110 *Events after the Reporting Period* requires disclosure of certain information for material non-adjusting events, including the nature of the event and an estimate of its financial effect or a statement that such an estimate cannot be made.
2. If an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it must update disclosures that relate to these conditions, in the light of the new information.

End of audited financial statements

Appendix 1 Definitions

'Administered' activities give rise to income and expenses which are not attributable to the entity. The entity may also manage government assets in the capacity of an agent and may incur liabilities which may involve a future disbursement from the Consolidated Fund but which do not involve a sacrifice of the assets that the entity controls. These administered income, expenses, assets and liabilities should not be recognised in the entity's Statement of Comprehensive Income or Statement of Financial Position.

'Department' refers to an entity subject to Division 4A of Part 3 of the Public Finance and Audit Act 1983

'General Government Sector' consists of those public sector entities which provide, in the main, goods and services outside the market mechanism, as well as providing for the transfer of income for public policy purposes – in accordance with Australian Bureau of Statistics classification. The major form of financing these goods and services is by taxation, imposed by the State or by the Commonwealth and subsequently passed on to the State.

'Infrastructure systems' means assets that comprise public facilities and which provide essential services and enhance the productive capacity of the economy including roads, bridges, water infrastructure and distribution works, sewerage treatment plants, seawalls and water reticulation systems.

'Restricted assets' means assets whose use by the entity is limited by externally imposed restrictions.

'Taxes, fees and fines' means compulsory levies which are not directly related to the specific provision of goods or services provided by the entity.

'Transfer payments' are amounts received by government entities for transfer to eligible beneficiaries consistent with the parameters established by legislation or other authoritative requirements and are not controlled by the entity.

'User charges' means revenues of the entity, which result from the voluntary acquisition by the purchaser of particular goods or services of direct benefit to the purchaser.

Appendix 2 Key references and acronyms

AASB	Australian Accounting Standards Board
Framework	Framework for the Preparation and Presentation of Financial Statements (AASB Framework)
FRC	Financial Reporting Code for General Government Sector Entities
Interpretation	Australian Accounting Interpretation
TC	NSW Treasury Circular
PFAA	Public Finance and Audit Act 1983
TCorp	NSW Treasury Corporation
TPP	NSW Treasury Policy and Guidelines Paper
Treasury Mandates	Treasury Circular <i>Mandates of Options and Major Policy Decisions under Australian Accounting Standards</i>

Appendix 3 Current Treasury Circulars / Policy and Guidelines Papers on accounting policy matters

The NSW Treasury accounting policies issued as Treasury Circulars and Treasury Policy Papers currently in force (at date of publication) are listed below. In addition, entities are required to comply with all future NSW Treasury Circulars and policies on accounting policy matters, where the circular/policy paper specifically indicates that it will be mandatory.

Title	Treasury Circular No	Mandatory / Non-mandatory
Financial Reporting Code for NSW General Government Sector Entities	TPP19-04	Non-mandatory
Valuation of Physical Non-Current Assets at Fair Value	TPP14-01	Mandatory
Accounting for Long Service Leave and Annual Leave	TC18-13	Mandatory
Mandates of Options and Major Policy Decisions under Australian Accounting Standards	TC19-04	Mandatory
Financial and Annual Reporting requirements arising from personnel service arrangements	TC15-07	Mandatory
Financial reporting requirements for NSW Government entities including those affected by restructures	TC15-05	Explains mandatory legislative requirements
Determining the present value of a provision	TC11-17	Non-mandatory
Accounting for Superannuation	TC18-10	Mandatory
Lessor classification of long-term land leases	TPP11-01	Mandatory
Financial Distribution Policy for Government Businesses	TC16-04	Mandatory
Contributions by owners made to wholly-owned Public Sector Entities	TPP09-03	Mandatory
Accounting for Financial Instruments	TPP08-01	Mandatory
Accounting for Privately Financed Projects	TPP06-08	Mandatory
Guidelines for Capitalisation of Expenditure on Property, Plant and Equipment	TPP06-06	Mandatory
Distinguishing For-Profit from Not-For-Profit entities	TPP05-04	Mandatory
Agency guidelines for the 2018-19 Mandatory Early Close	TC19-01	Mandatory
Agency guidelines for the 2017-18 Mandatory Annual Returns to Treasury	TC18-06	Mandatory
Related Party disclosures	TC16-12	Mandatory

Appendix 4 Main changes in the Financial Reporting Code for NSW General Government Sector Entities (TPP19-04) compared to the previous version TPP18-01

TPP19-04 Financial Reporting Code for NSW General Government Sector Entities (the Code) has been updated for changes in AAS and Treasury policy requirements.

The main change relates to the adoption of AASB 9 *Financial Instruments* and revised AASB 7 *Financial Instruments: Disclosures*. NSW Treasury mandates the disclosures relating to financial instruments should not be restated for the comparative financial year ending 30 June 2018. Hence for the comparative financial year, the accounting standard reference is AASB 139 *Financial Instruments: Recognition and Measurement* and the old AASB 7 *Financial Instruments: Disclosures*.

AASB 15 *Revenue from Contracts with Customers* is applicable to Not-for-Profit agencies only from FY19/20 but a year earlier (i.e. from FY18/19) for For-Profit agencies. NSW Treasury will provide separate guidance to For-Profit agencies to assist them on AASB 15 disclosures.

For-Profit agencies should also refer to TC19-04 *Mandates of options and major policy decisions under Australian Accounting Standards* for Treasury mandates relating to AASB 15.