Report on the state finances 2023-24

Incorporating the consolidated financial statements of the New South Wales general government and total state sectors

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Report on State Finances

2023-24

ACKNOWLEDGEMENT OF COUNTRY

This Report on State Finances was prepared by NSW Treasury, which is located on the traditional lands of the Gadigal people of the Eora Nation.

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

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

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

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

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

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1. ABOUT THIS REPORT

The 2023-24 NSW Report on State Finances includes:

- an overview of the financial performance and position of the General Government and Total State Sectors for 2023-24
- the audited Consolidated Financial Statements of the General Government and Total State Sectors for 2023-24, including a full set of note disclosures required by Australian Accounting Standards
- the Outcomes Report on Government Finances for the General Government Sector, Public Non-Financial Corporations Sector, Public Financial Corporations Sector and the Non-Financial Public Sector for 2023-24, prepared in accordance with the Uniform Presentation Framework adopted by all Australian governments.

These reports and associated commentary provide a comprehensive analysis and review of the State's financial performance and position.

The NSW Government follows an international framework and all its sub-entities fall into one of three categories[1]:

- **General Government Sector (GGS)** – this includes all government-controlled entities that deliver non-market goods and services, perform regulatory functions and redistribute income and wealth. Non-market goods and services include essential service delivery, policy advice and regulatory functions. Examples of entities in this sector include the Department of Education, NSW Police Force and Ministry of Health
- **Public Non-Financial Corporations (PNFC)** – this covers all government-controlled entities that provide market goods or services and have a relatively higher share of own-source revenue. The NSW Government chooses to further classify entities in this sector as commercial or non-commercial:
  - commercial entities deliver services to customers from which they receive income. An example is Sydney Water.
  - non-commercial entities address social objectives and levy subsidised charges to their customers. An example is New South Wales Land and Housing Corporation (NSW LAHC).
- **Public Financial Corporations (PFC)** – entities in this sector are government-controlled entities involved in providing financial services. An example includes the NSW Treasury Corporation (TCorp).

When combined, these three sectors make up the **Total State Sector (TSS)**.

Throughout this report:

- A reference to one billion dollars is one thousand million dollars
- All figures in tables, charts and text are shown in billions of dollars, except when otherwise indicated. Discrepancies between totals and the sum of components reflect rounding. Percentages are based on the underlying unrounded amounts
- Certain comparatives have been reclassified to ensure alignment with current year presentation or for the correction of material prior period errors.

[1] See the Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015 (ABS cat. No. 5514).

2. OVERVIEW 2023-24

The Budget Result for the 2023-24 year was a $10.7 billion deficit in the GGS and a $11.0 billion deficit in the TSS. This follows results from the 2022-23 financial year of a $10.6 billion deficit in the GGS and $8.0 billion deficit in the TSS.

The 2023-24 actual GGS Budget Result was $2.8 billion worse than originally forecast in the 2023-24 Budget, largely driven by lower net revenues.

GGS gross debt and net debt at 30 June 2024 were $1.2 billion and $3.5 billion lower than forecast in the 2024-25 Budget although both were higher than at 30 June 2023. Both were lower than forecast in the 2024-25 Budget mainly due to a $700 million accounting policy change that resulted in pre-funding borrowings over year-end being recognised when funds are received in the new financial year (on settlement), not when requested (traded).

Table 2.1: Key Financial Indicators - Overview

	General Government Sector			Total State Sector		
	Actual 2023-24	Actual 2022-23	Movement	Actual 2023-24	Actual 2022-23	Movement
	$b	$b	$b	$b	$b	$b
Revenue	110.2	105.9	4.3	119.3	113.2	6.0
Expenses	120.9	116.5	4.4	130.3	121.2	9.1
Budget Result (Net Operating Balance)	(10.7)	(10.6)	(0.1)	(11.0)	(8.0)	(3.1)
Gross Capital Expenditure	22.9	22.2	0.7	31.1	28.0	3.2
Gross Debt	154.3	132.9	21.4	221.4	172.6	48.8
Net Worth (Total assets less total liabilities)	367.2	322.0	45.2	367.2	322.0	45.2
Net Debt (Total debt less liquid assets)	93.4	74.9	18.5	143.2	110.9	32.3
Net Financial Liabilities (Total liabilities less financial assets)	182.9	165.5	17.4	210.7	188.6	22.1

The GGS's **revenue** was $4.3 billion higher than 2022-23. The Commonwealth provided additional funding largely reflecting stronger GST collections due to growth in the GST pool from increases in national consumption. Taxation revenue and transfer duties also increased as a result of strong growth in the property market and continued resilience in the labour market coupled with stronger population growth from international migration. This was partially offset by a reduction in other revenue due to a substantial drop in the thermal coal spot price, driven by milder-than-expected Northern Hemisphere weather which weakened thermal coal demand.

The GGS's **expenses** were $4.4 billion higher in 2023-24 compared to the prior year – mostly reflecting higher employee-related costs due to annual wages growth indexation and the increase in FTE headcount in the NSW Government, mainly paramedics and nurses. There was also an increase in interest expenses due to rising interest rates in the year, and a higher depreciation expense in 2023-24 compared to prior year as a result of inflation-driven revaluation of building and infrastructure assets.

Gross capital expenditure[2] for the GGS was $22.9 billion in 2023-24, $0.7 billion higher than the prior year. This reflects NSW Government's continued investment in infrastructure during the year.

The significant increase in **gross debt** in the GGS of approximately $21.4 billion was mainly driven by the Government’s commitments in delivering its record infrastructure investment program. Partially offset by the growth in the Government's managed funds, **net debt** and **net financial liabilities** increased by $18.5 billion and $17.4 billion respectively in the GGS. **Net worth** increased $45.2 billion, equal to the comprehensive result, from the prior year in both the GGS and TSS.

These results are explained in more detail in the following chapters.

[2] Gross capital expenditure is all additions to property, plant & equipment, right-of-use assets, investment properties and other intangibles including additions under leases and service concession financial liability arrangements.

3. NSW FISCAL CONTEXT

3.1 Fiscal Targets and Principles

The Government's financial management is guided by the *Fiscal Responsibility Act 2012 (FRA)* (the Act). The object of the Act is to maintain the State's triple-A credit rating, which is supported by two fiscal targets:

- the annual growth in general government expenses of the State is less than the long-term average general government revenue growth of the State
- the elimination of the State's unfunded superannuation liability by 2030.

The Act also requires the Government to pursue its objective in accordance with the following three principles of sound financial management:

- responsible and sustainable spending, taxation and infrastructure investment
- effective financial and asset management, and
- achieving intergenerational equity.

The Government continues to manage its fiscal position to deliver its commitments to the people of New South Wales, including making the first steps towards repairing the Budget. The Government's fiscal strategy is guided by two key fiscal principles, adopted in the 2023-24 Budget and updated in the 2024-25 Budget:

- returning to a sustainable operating position.
- stabilising and then maintaining a sustainable debt position, which in the short-term means ensuring that gross GGS debt at 30 June 2026 is below the $188.2 billion forecast at the Pre-Election Budget Update in March 2023.

Performance against the FRA object, targets and principles for the year 2023-24 is as follows:

- Both Moody's and Fitch maintained the State's credit rating at triple-A with a stable outlook in October 2023.
- S&P Global maintained the State's credit rating at double-A plus with a stable outlook in November 2023
- The annual expense growth for 2023-24 was 3.8 per cent. This is below the long-term average revenue growth rate of 5.6 per cent as defined in the Fiscal Responsibility Regulation 2013.
- To address the fiscal pressures facing the Budget and manage expenses, the Government announced a Comprehensive Expenditure Review in June 2023 and identified $13 billion in savings, reprioritisation and budget improvement measures.
- Following the onset of COVID, the former government re-anchored its superannuation liability target to be fully funded by 2040, to ease pressure on borrowing requirements during the pandemic. At the 2023-24 Budget the Government committed to the 2040 target and an increased contribution plan. This contribution plan will ensure the State remains broadly on track to fully fund its defined superannuation liabilities by 2040. The new contribution plan consisted of contributions of $1.7 billion in 2023-24, indexing at 5% per annum until 2040.

In line with the requirements of the Act, the Government has reported on its fiscal targets and principles of sound financial management as part of the 2024-25 Budget. Noting since the 2024-25 Budget, the State has maintained its triple-A credit rating with both Moody's (September 2024) and Fitch Ratings (October 2024). S&P Global have maintained the State's double-A plus credit rating (November 2024), taking into account the State's history of strong financial management, its diverse economy and exceptional access to liquidity. However, S&P revised the State's outlook to negative, reflecting the increased pressure on the State's expenses since the pandemic.

3.2 Economic Context

Recent economic data in New South Wales remains suggestive of a soft landing underway in the economy following the rapid post-pandemic recovery in growth. State final demand (SFD), a broad measure of spending in the economy grew, on average, by 1.6 per cent in 2023-24 after rising by 4.9 per cent in 2022-23. However, this masked a more pronounced slowing in the pace of SFD growth over the course of the year, with NSW real state final demand in the June quarter 2024 only 0.2 per cent higher than its level of the June quarter 2023, well below the long run average growth rate.

The principal driver of this slowing in growth has been cost-of-living pressures which have weighed on the spending of individual households. While the initial driver of these pressures was high inflation, more recently tax bracket creep and higher interest rates have weighed on the spending of individual households, especially on discretionary items.

The impact of this on aggregate demand has been offset largely by a continued rapid increase in population growth. This has meant that conditions facing businesses, on net, have been more resilient than those facing individual consumers. Nonetheless, the demand for labour has slowed, resulting in the unemployment rate gradually increasing from a low of 3.0 per cent in June 2023 to 3.8 per cent in September 2024.

Inflation has continued to ease over the past year, with the Sydney CPI rising by 3.8 per cent over the year to the June quarter 2024. This is around half the peak increase seen as at December 2022. This is in line with the softening in activity and gradual rise in unemployment. However, with the labour market still tight by historical standards, elevated services inflation is delaying the return of inflation to the Reserve Bank of Australia’s 2-3 per cent target.

Elsewhere, demand from strong population growth against a cyclical slowing in new housing construction has seen dwelling prices continue to rise (albeit at a slower rate) in 2024. This is despite high interest rates constraining affordability for prospective first home buyers. Renters have also faced significant increases in housing costs, in large part due to the substantial imbalance between demand and supply in the rental market.

Looking ahead, cost of living pressures appear likely to persist in the near term, with the Reserve Bank Governor recently noting that interest rates are unlikely to fall from their current level until 2025. Economic growth is forecast to be subdued in the very near term, before accelerating through the course of 2024-25 as cost-of-living pressures ease. Overall, this outlook is consistent with a soft landing for the New South Wales economy.

The risks to the outlook centre primarily on geopolitical risks and uncertainty around the path for global inflation and interest rates.

4. OPERATING RESULT

4.1 Budget Result Performance Against Original Budget

The budget result of the GGS for the financial year ended 30 June 2024 was a $10.7 billion deficit, $2.8 billion increase to the Original Budget 2023-24 expected deficit of $7.8 billion.

Table 4.1: Key Financial Indicators (GGS) – Statement of Comprehensive Income

	Actual 2023-24	Original Budget 2023-24	Actual 2023-24 - Original Budget 2023-24	Revised Budget[a] 2023-24	Actual 2023-24 - Revised Budget[a] 2023-24
General Government Sector	$b	$b	$b	$b	$b
Revenue	110.2	112.4	(2.2)	110.8	(0.6)
Expenses	120.9	120.2	0.7	120.5	0.4
Budget Result (Net Operating Balance)	(10.7)	(7.8)	(2.8)	(9.7)	(1.0)

(a) Revised estimate for 2023-24 as presented in the 2024-25 Budget Papers.

The main drivers of the worsened actual budget result compared to the original budget were:

- higher employee-related costs of $2.6 billion compared to the original budget due to the increase in teacher's salaries award, as well as higher workers compensation claims
- other dividends and distributions revenue being $1.2 billion below budget. The proportion of returns attributable to distributions was lower than assumed at the budget (with unrealised gains in other economic flows included in the operating result correspondingly higher), therefore actual revenue was less than forecast at budget
- a decrease in grant and subsidies revenue of $0.5 billion, mainly relating to Commonwealth National Partnership Payments, the redistribution of funds to future budget years under the Natural Disaster Relief program, and the winding down of the Natural Disaster Resilience Scheme.

This was offset by:

- decrease in GGS grants and subsidies expenses of $2.2 billion compared to original budget as a result of a reduction in grant activities in 2023-24 and carry forward of many programs into future years
- decrease in other operating expenses of $0.7 billion as a result of carry forward capital works on behalf of Transport Asset Holding Entity of NSW (TAHE) that will now be delivered in later years
- an increase in interest income of $0.3 billion, predominately due to higher interest rates.

An overview of the actual net operating balance (budget result) compared to the original budget projections is also outlined in detail in Note 35: Budgetary Information on 2023-24 General Government Sector Financial Statements, in the Total State Sector Accounts.

4.2 Budget Result Performance Against Prior Year

Table 4.2 below illustrates the variances between the 2022-23 and the 2023-24 actual results for both the GGS and TSS.

Table 4.2: Key Financial Indicators – Performance on Operating Result

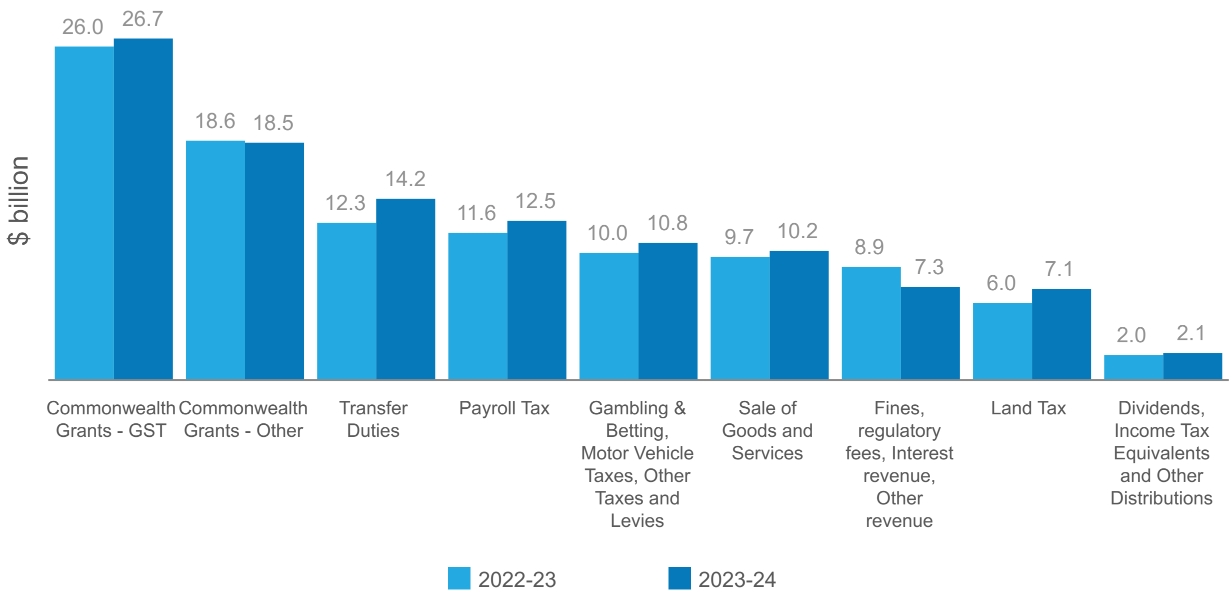
Statement of Comprehensive Income	General Government Sector			Total State Sector		
	Actual 2023-24	Actual 2022-23	Movement	Actual 2023-24	Actual 2022-23	Movement
	$b	$b	$b	$b	$b	$b
Revenue	110.2	105.9	4.3	119.3	113.2	6.0
Expenses	120.9	116.5	4.4	130.3	121.2	9.1
Budget Result (Net Operating Balance)	(10.7)	(10.6)	(0.1)	(11.0)	(8.0)	(3.1)
Comprehensive Result	45.2	36.1	9.1	45.2	36.1	9.1
Gross Capital Expenditure	22.9	22.2	0.7	31.1	28.0	3.2
Cash Result	(19.7)	(21.9)	2.2	(21.0)	(20.1)	(0.9)
Net Lending/(Borrowing)	(24.4)	(24.6)	0.2	(29.3)	(24.9)	(4.4)

In summary, total revenues for the GGS in 2023-24 increased by $4.3 billion (4.1 per cent) and total expenses increased by $4.4 billion (3.8 per cent) compared to the 2022-23 outcome. Total revenues for the TSS in 2023-24 increased by $6.0 billion (5.3 per cent) and total expenses increased by $9.1 billion (7.5 per cent) compared to the 2022-23 outcome.

4.3 Revenue in Comparison to the Prior Year

GGS revenues increased by $4.3 billion to $110.2 billion (4.1 per cent) while TSS revenues increased by $6.0 billion to $119.3 billion (5.3 per cent) over 2023-24. Key revenue movements compared to the prior year are further explained below. Chart 4.1 shows the main movements between the 2022-23 actual revenue and the 2023-24 actual revenue in the GGS.

Chart 4.1: Key Movements in GGS Revenues in 2023-24



Grant Revenue

New South Wales receives General Purpose Grants (which are comprised mostly of GST), National Agreement payments, Federation Funding Agreement payments and a small number of other payments from the Australian Government. Total Commonwealth grants were $45.1 billion in 2023-24, $508.8 million higher (1.1 per cent) than the prior year. The TSS values are in line with the GGS results.

GST revenue (including 'no worse off' payments) was $26.7 billion in 2023-24, $0.6 billion higher than 2022-23 (2.5 per cent). GST revenues from the Australian Government are distributed among states and depend on the total amount of GST collected, the population share of NSW, and the relativity calculated by the Commonwealth Grants Commission. The increase in GST revenue in 2023-24 largely reflects stronger GST collections due to growth in the GST pool from increases in national consumption. This is despite a lower NSW GST relativity in 2023-24.

Revenue from National Agreement payments and Federation Funding Agreement payments were $18.4 billion in 2023-24, $0.1 billion higher than 2022-23. The main changes in Australian Government funding included:

- Additional $1.2 billion for new and existing land transport projects (including for Mamre Road Stage 2, priority sections of Elizabeth Drive, and upgrading Richmond Road between the M7 Motorway and Townson Road).
- Decrease in funding in the 2023-24 year due to the redistribution of funds to future budget years under the Natural Disaster Relief program and the winding down of the Natural Disaster Resilience Scheme.

Taxation Revenue

GGS taxation revenue in 2023-24 was $44.6 billion, $4,857 million (12.2 per cent) higher than 2022-23. This increase reflects strong growth in the property market and continued resilience in the labour market.

Transfer duty revenue in 2023-24 was $1.9 billion (15.8 per cent) higher than in 2022-23. This increase is attributed to residential property price growth despite rising interest rates. The property price growth is primarily driven by shortages in housing supply coupled with stronger population growth.

Payroll tax revenue increased by $0.9 billion (8.1 per cent), driven by continued resilience in the labour market and wage growth. The primary drivers of growth in payroll tax revenue are employment and average compensation of employees. Average compensation of employees and NSW employment increased by 4.3 per cent and 2.4 per cent respectively in 2023-24. Higher payroll tax revenue in 2023-24 also reflects strong population growth from international migration.

Land tax revenues also increased by $1.1 billion (18.3 per cent) due to growth in land values (land tax is based on the average of the last three annual valuations). Three-year-average land values continued to increase because of strong growth in land values to 1 July 2023.

Motor vehicle taxes increased by $327.9 million (11.8 per cent) to 3.1 billion in 2023-24 largely due to an increase in weight tax. Motor weight tax charges are indexed to Sydney CPI, which increased between 2022-23 and 2023-24.

Gambling and betting taxes increased by $132.4 million (3.9 per cent), due to increased activity in hotel gaming and a number of above-average lottery jackpots.

Revenue from the Emergency Services Levy contributions increased by $211.5 million to $1.6 billion in 2023-24. This was mainly driven by approved service enhancements and other expenses in 2023-24, and adjustments made to reflect differences between funding targets for emergency services agencies in 2021-22 and these agencies’ actual expenditure.

Non-tax Revenues

Sale of goods and services for the GGS increased by $456.4 million during 2023-24 to $10.2 billion or 4.7 per cent higher than the prior year. This was mainly driven by the higher reinsurance recoveries relating to the March 2022 flood event and other natural disasters.

Revenue in the **fines, regulatory fees and other** category decreased by $1.9 billion (22.0 per cent) during 2023-24, to $6.5 billion reflecting a 70 per cent drop in the thermal coal spot price between 2022-23 and 2023-24, driven by milder-than-expected Northern Hemisphere weather which weakened thermal coal demand.

Interest income increased from $544.8 million in 2022-23 to $767.9 million in 2023-24 due to the increase in interest rates.

Dividends and income tax equivalents increased by $195.7 million in 2023-24.

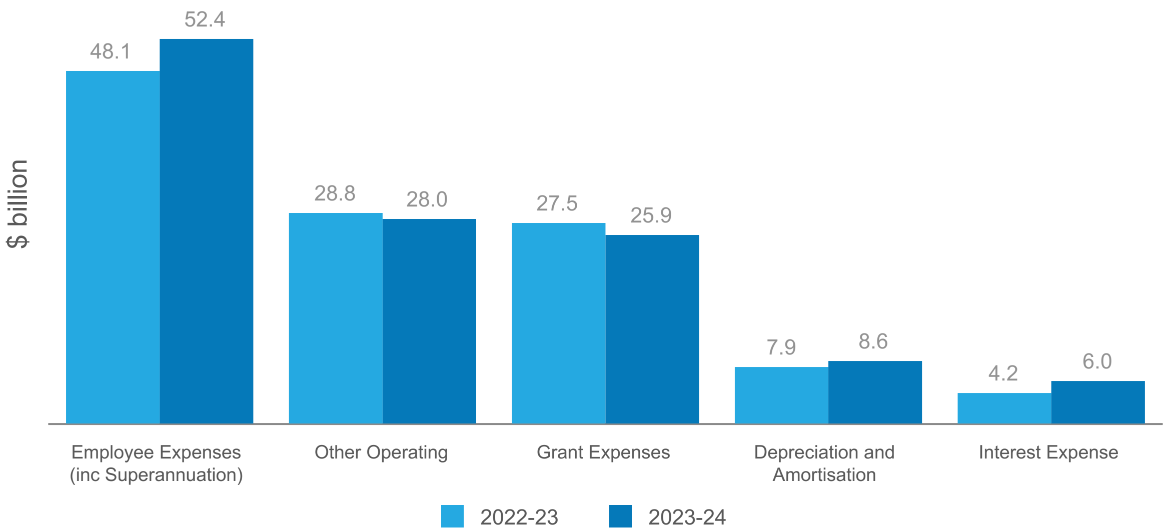
Other dividends and distributions decreased by $34.9 million to $1.4 billion in 2023-24.

4.4 Expenses in Comparison to the Prior Year

Total GGS expenses were $120.9 billion, which were $4.4 billion (3.8 per cent) higher than 2022-23, while TSS expenses amounted to $130.3 billion, $9.1 billion (7.5 per cent) higher than the previous year. Key expense movements compared to the prior year are further explained below.

Chart 4.2 below shows the main movements between the 2022-23 actual expenses and the 2023-24 actual expenses in the GGS.

Chart 4.2: Key Movements in GGS Expenses in 2023-24



Employee expenses accounted for 43.3 per cent of the Sector's total expenditure followed by grant expenses (21.4 per cent) and other operating expenses (23.2 per cent).

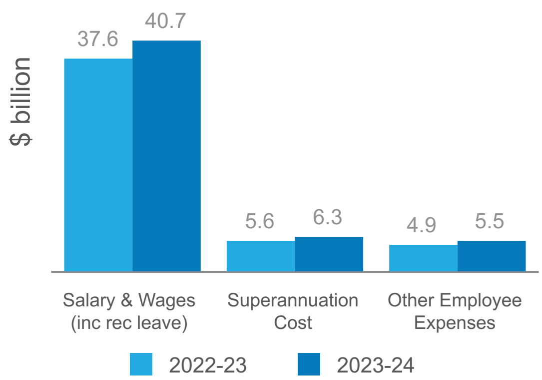
Employee Expenses including Superannuation

Total employee related costs were $4.3 billion (8.9 per cent) higher than 2022-23. This mainly reflects increased wages including teachers' salaries, increased FTE, as well as higher workers compensation claims due to actuarial valuations.

The increase in superannuation costs reflect the increase in interest rates as a result of tightening monetary conditions and higher FTE in the State.

Other employee expenses include long service leave, which increased as a result of higher interest rates and more eligible employees.

Chart 4.3: Key Movements in Employee Expenses



Grant Expenses

The $1.6 billion (5.7 per cent) decrease in GGS grants and subsidies expenses, as illustrated in chart 4.2, mainly relates to:

- decrease of $0.8 billion in grants related to taxi licenses in the Department of Transport due to the application window for the Point to Point Transport Financial Assistance Scheme having ended in May 2023
- $0.5 billion reduction in Department of Customer Service funding for COVID-19 stimulus programs, including Dine & Discover, Small Business Grants and other grant programs like Rental Support and Back to School which are no longer operational
- $0.2 billion reduction in natural disaster grant expenses due to lower number of Category D disasters in 2023-24
- $0.2 billion reduction in grants programs for the Department of Creative Industries, Tourism, Hospitality and Sport mostly due to reprioritisation as a result of the comprehensive expenditure review
- higher capital grants expense in 2022-23 due to a $1.6 billion cash injection from the Crown Finance Entity to TAHE which was reclassified from equity investment and recognised as capital grants expense, a substantially smaller payment was made in 2023-24
- Offset by an
    - an increase of $0.6 billion in grants to non-governmental organisations for child protection, out-of-home care, foster care and social housing in the Department of Communities and Justice.

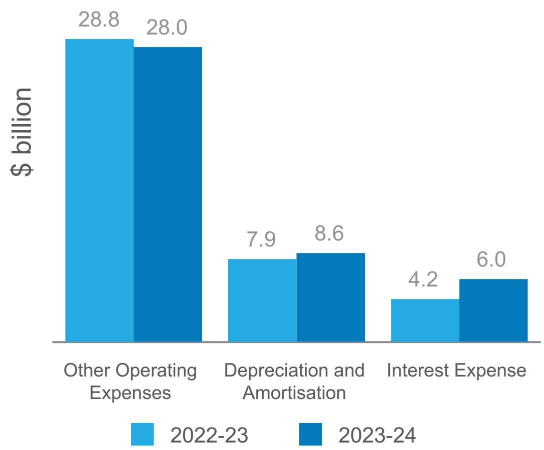
Other Expenses

Total other expenses were $1.7 billion (4.2 per cent) higher than prior year as illustrated in chart 4.4 on the right.

Other operating expenses of $28.0 billion were $0.8 billion (2.7 per cent) lower than 2022-23, predominately due to lower contractor and consultancy expenses driven by the government's initiative to decrease these areas of spend across the sector to achieve budget savings. Additionally, there was a decrease of $257 million in the supplies, services and other expenses category, primarily due to lower costs associated with the design and construction of major rail projects on behalf of TAHE.

There was also a reduction in external maintenance expense of $130 million in the GGS due to higher maintenance activity in 2022-23 to clear maintenance backlog of roads and buildings due to COVID and an increase in essential urgent repairs to rain-damaged schools in 2022-23.

Chart 4.4: Key Movements in Other Expenses



Depreciation and amortisation expenses were $8.6 billion, $717 million in total higher than in 2022-23. The key driver of the increase was higher revaluations of building and infrastructure assets, resulting in increased depreciation in the year.

Interest expenses in 2023-24 of $6.0 billion were $1,788 million higher than 2022-23, consistent with the impact of increasing interest rates in the year.

4.5 Comprehensive Result

The GGS Comprehensive Result was a gain of $45.2 billion compared to a gain of $36.1 billion in 2022-23. The comprehensive result represents the aggregate of the operating result (made up of revenue and expenses which are analysed above) and other economic flows included in the operating result and other comprehensive income, within the GGS. The improved result compared to last year is driven by improved performance of equity instruments and higher gains from remeasurements of post-employment benefits offset by substantially lower revaluations. These impacts are explained in more detail in Section 5 on the balance sheet.

4.6 Capital Expenditure

GGS capital expenditure during 2023-24 was $22.9 billion, $0.7 billion higher than the prior year, an increase of 3.1 per cent. This increase is primarily driven by investment in infrastructure through Transport for NSW and Sydney Metro.

GGS agencies with significant capital expenditure programs in 2023-24 included:

- Transport for NSW ($10.3 billion)
- Sydney Metro ($7.2 billion)
- Ministry of Health ($2.9 billion)
- Department of Education ($1.2 billion).

Major projects progressed during 2023-24 included:

- Sydney Metro West ($2.4 billion)
- Sydney Metro City and Southwest ($1.7 billion)
- Sydney Metro – Western Sydney Airport (State and Federal Funded) ($2.0 billion)
- Western Harbour Tunnel 1 ($1.0 billion)

In addition, a number of projects were completed in the year. The total project cost and spend during 2023-24 of these projects included:

- Prison Bed Capacity Program $2.4 billion ($33 million in 2023-24)
- Institute of Applied Technology for Digital Tech $128.9 million ($1.4 million in 2023-24)
- Institute of Applied Technology for Construction $79.5 million ($11.1 million in 2023-24)
- Connected Learning Centres Program - Stage 3 $54.5 million ($1.0 million in 2023-24)
- National Parks Economic Recovery Stimulus $40.5 million ($3.3 million in 2023-24)

TSS capital expenditure of $31.1 billion was $3.2 billion higher than in 2022-23. This increase was driven by the GGS capital expenditure spend, and Sydney Water Corporation's recognition of the Sydney Desalination Plant lease arrangement of $1.8 billion as at 1 July 2023.

5. BALANCE SHEET

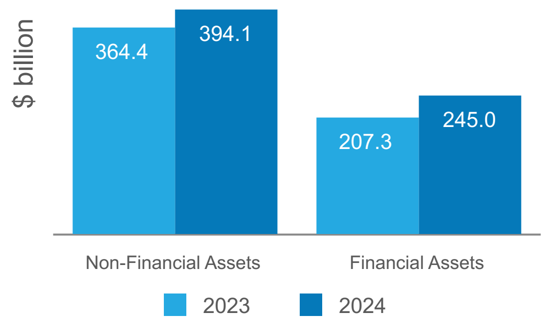
Table 5.1: Key Financial Indicators – Balance Sheet Performance

Statement of Financial Position	General Government Sector			Total State Sector		
	Actual 2023-24	Actual 2022-23	Movement	Actual 2023-24	Actual 2022-23	Movement
	$b	$b	$b	$b	$b	$b
Total Assets	639.1	571.7	67.5	771.1	650.5	120.5
Total Liabilities	272.0	249.7	22.3	403.9	328.6	75.3
Net Worth	367.2	322.0	45.2	367.2	322.0	45.2
Net Unfunded Superannuation Liability	38.1	41.7	(3.5)	39.2	43.0	(3.7)
Net Debt	93.4	74.9	18.5	143.2	110.9	32.3
Net Debt as a % of GSP	11.4%	9.6%	1.8%	17.5%	14.3%	3.3%
Net Financial Liabilities (NFL)	182.9	165.5	17.4	210.7	188.6	22.1
NFL as a % of GSP	22.4%	21.3%	1.1%	25.8%	24.3%	1.5%

5.1 Total Assets

Total assets of the General Government as at 2023-24 consist mainly of property, plant and equipment (59.3 per cent), equity investments in other public sector entities, associates and joint ventures (26.0 per cent) and remaining financial assets (12.3 per cent).

Chart 5.1: Components of GGS Total Assets 2023-24



The $29.2 billion net increase in **Property, Plant & Equipment (PP&E)** in the GGS is as a result of additions of $21.2 billion (predominately within Health, Education, and Transport and Infrastructure) and a significant upward revaluation of $15.6 billion, which was partially offset by depreciation ($7.2 billion) and disposals of PP&E ($1.1 billion) during 2023-24.

The $65.1 billion increase in TSS PP&E is mostly due to additions of new PP&E ($27.6 billion) and upward revaluations ($49.8 billion), partially offset by depreciation ($10.3 billion).

The GGS's **equity investments**, representing investment in other public sector entities, associates and joint ventures, were 25.0 per cent higher than 2022-23 primarily because of an increase in PNFC net assets of $33.0 billion due to TAHE's comprehensive asset revaluation, now based on the replacement cost approach. The income approach is no longer deemed as the appropriate method because of the reclassification of TAHE from a for-profit Statutory Owned Corporation (SOC) entity to a not-for-profit PNFC entity. Additionally, there was an increase of $0.6 billion in PFC net assets mainly due to Lifetime Care ($0.6 billion). This was driven by $1.1 billion in additional investments, offset by $0.5 billion due to an increase in outstanding claims provision as a result of the impact of actuarial economic assumptions.

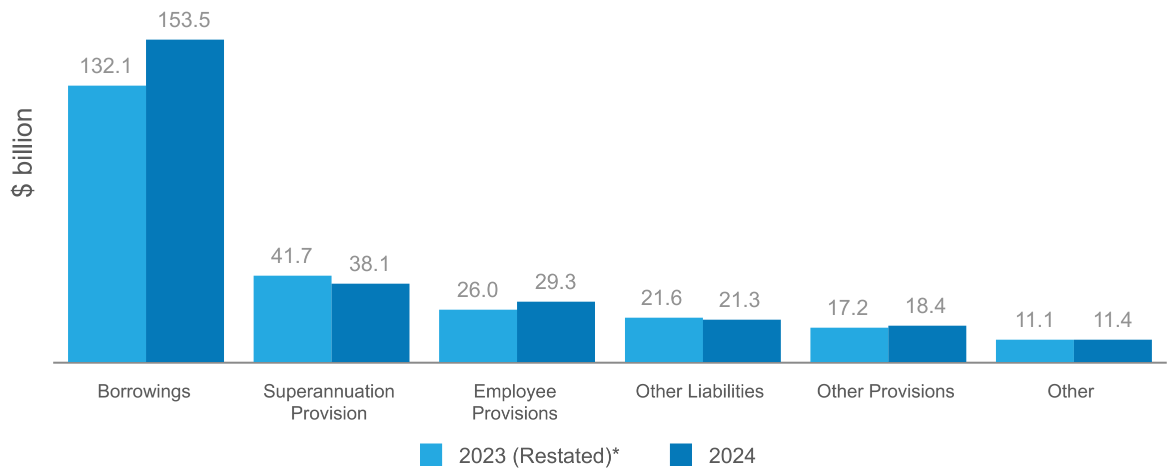
The net increase in **financial assets at fair value** is primarily attributable to an increase of $2.0 billion for investments in TCorpIM funds during 2023-24.

During 2023-24, cash balances of the GGS increased by $0.5 billion to $6.9 billion, in line with renewed liquidity management practices. TSS cash balances increased by $0.1 billion to $17.3 billion.

5.2 Total Liabilities

Total liabilities of the GGS as at 2023-24 consist mainly of General Government's borrowings, which accounted for 56 per cent of the General Government's obligations at 30 June 2024, and employee and superannuation provisions, which together accounted for 25 per cent of total liabilities.

Chart 5.2: Components of Total Liabilities in the GGS 2023-24



* To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2023 has occurred from payables to other provisions.

Borrowings[3] increased by $21.4 billion to $153.5 billion in 2023-24 driven by the Government's continued commitment in delivering its infrastructure investment program. TSS borrowings increased by $48.8 billion in 2023-24, which included an increase of $20.2 billion mainly relating to purchases of fixed interest securities in a managed investment fund.

Superannuation liabilities represent the actuarially-assessed obligations for past and present employees less the net market value of scheme assets set aside to meet these obligations. The net unfunded superannuation liabilities decrease of $3.5 billion to $38.1 billion (8.5 per cent) in the GGS, and $3.7 billion to $39.2 billion (8.7 per cent) in the TSS, is largely as a result of an increase in the discount rate used to value the liabilities from 4.07 per cent in 2022-23 to 4.36 per cent in 2023-24, due to the increase in government bond yields used as the discount rate as required by accounting standards.

The Government's current funding plan will ensure the commitment to fully fund defined benefit superannuation liabilities by 2040 is met.

The largest part of the increase in **employee provisions** of $3.3 billion was due to the $1.6 billion increase in the provision for self-funded workers compensation claims provision, as a result of actuarial valuations. The main underlying reasons were increasing proportion of psychological claims, higher-than-expected number of Police Medically Discharged claims, and slower finalisation of work injury damages claims.

Other provisions increased by $1.2 billion to $18.4 billion (7 per cent) in 2023-24 mainly due to a $646 million dollar increase in provisions from claims by NSW Self Insurance Corporation.

The **payables** balance (included in **other**[4]) increased by $342.0 million (3.7 per cent) to $9.7 billion in 2023-24. This is due to an increase in a range of payables, including interest on borrowings and advances ($269.1 million) and payables of a capital nature ($183.8 million).

[3] Borrowings include borrowings at amortised cost and borrowings and derivatives at fair value.
[4] Other include deferred tax equivalent provision, deposits held, payables, tax equivalents payable, advances received and contract liabilities.

5.3 Net Worth, Net Debt and Net Financial Liabilities

Net worth is the difference between total assets and total liabilities. Net worth for the year ended 30 June 2024 was $367.2 billion, an increase of $45.2 billion (14 per cent) from the prior year.

The increase in net worth is equal to the comprehensive result of the GGS for 2024 as outlined in section 4.5 in this document.

Net debt equals the sum of financial liabilities (deposits held, borrowings, derivatives, advances received and interests in TCorpIM funds of investors not controlled by the State) less the sum of financial assets (cash and deposits, advances paid and investments, loans and placements).

The GGS net debt increase of $18.5 billion to $93.4 billion at 30 June 2024 (25 per cent) was predominantly driven by borrowings increasing by $21.4 billion as described in section 5.2 above.

TSS net debt increased by $32.3 billion to $143.2 billion at 30 June 2024 (29 per cent). This was driven by an increase in borrowings and derivatives in the Treasury Corporation.

Net financial liabilities represent total liabilities less financial assets, other than equity in publicly owned corporations.

GGS net financial liabilities at 30 June 2024 were $182.9 billion, which was $17.4 billion higher than the prior year. The main factors contributing to this change are the increase in borrowings of $21.4 billion, as described above. This was partially offset by a fall in superannuation liabilities of $3.5 billion as the liability discount rate for the State's superannuation liabilities increased from 4.07 per cent to 4.36 per cent.

Total State Sector Accounts
2023 - 2024

Audited Consolidated Financial Statements
of the NSW General Government
and Total State Sectors

STATEMENT OF COMPLIANCE

Pursuant to section 7.17(4) of the *Government Sector Finance Act 2018*, in our opinion the Total State Sector Accounts:

- have been prepared in accordance with AASB 1049 *Whole of Government and General Government Sector Financial Reporting* and all other Australian Accounting Standards, and
- present fairly the consolidated financial position, financial performance and cash flows for the Total State Sector and General Government Sector.

The Hon. Daniel Mookhey MLC Treasurer	Michael Coutts-Trotter Secretary Treasury	Andy Hobbs Executive Director – Financial Stewardship and Public Reporting Treasury
Date: 17 Dec 2024	Date: 16 December 2024	Date: 16 December 2024

INDEPENDENT AUDITOR'S REPORT

Consolidated State Financial Statements of the New South Wales

General Government and Total State Sectors

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying Consolidated State Financial Statements of the New South Wales General Government Sector (GGS) and Total State Sector (TSS) prepared by NSW Treasury, which comprise the Statement of Compliance, the Consolidated Statement of Comprehensive Income for the year ended 30 June 2024, the Consolidated Statement of Changes in Equity for the year ended 30 June 2024, the Consolidated Statement of Financial Position as at 30 June 2024, the Consolidated Statement of Cash Flows for the year ended 30 June 2024, and Notes to the Financial Statements, including a Statement of Material Accounting Policy Information and other explanatory information of the Consolidated State Financial Statements. The Consolidated State Financial Statements comprise the entities the State controlled at the year's end or from time to time during the financial year.

From here on, the Consolidated State Financial Statements are referred to as the Total State Sector Accounts, in line with Treasury's naming convention.

In my opinion, the Total State Sector Accounts:

- have been prepared in accordance with Australian Accounting Standards and section 7.17 of the *Government Sector Finance Act 2018* (GSF Act)
- present fairly the financial position, financial performance and cash flows of the New South Wales General Government and Total State Sectors.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Total State Sector Accounts' section of my report.

I am independent of NSW Treasury in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Key Audit Matters

Australian Auditing Standard ASA 701 'Communicating Key Audit Matters in the Independent Auditor's Report' applies to the audit of the general purpose financial statements of listed entities or when an auditor is required by legislation to communicate key audit matters in the auditor's report. There is no legislative requirement to communicate key audit matters in my independent audit report on the Total State Sector Accounts. I have voluntarily included a narrative on Key Audit Matters to enhance the readability of my audit opinion.

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the Total State Sector Accounts for the year ended 30 June 2024. These matters were addressed in the context of my audit of the Total State Sector Accounts as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicated in my report.

<table>
<tr><th>Key Audit Matter</th><th>How my audit addressed the matter</th></tr>
<tr><td colspan="2">Consolidation of financial information</td></tr>
<tr><td>The Total State Sector Accounts (TSSA) is a consolidation of the financial information of the controlled entities of the state, in accordance with AASB 1049 ‘Whole-of-government and General Government Sector Financial Reporting’ and AASB 10 ‘Consolidated Financial Statements’.

I consider this to be a key audit matter because of the risk of material misstatement in the TSSA consolidation process arising from:
• entities applying inconsistent financial reporting frameworks, accounting standards and accounting policies in the preparation of their individual financial statements
• elimination adjustments, including manual entries relating to mismatches in inter-agency transactions and balances
• incorrect classification of other economic flows and transactions
• incorrect mapping of transactions within and outside government
• deficiencies in key accounting information to support judgements, estimates and interpretations that are unique to whole of government accounting
• the harmonisation or alignment of certain information prepared under generally accepted accounting principles (GAAP) with the Government Financial Statistics (GFS) requirements developed by the Australian Bureau of Statistics (ABS), as published in the ABS GFS Manual, to the extent it does not conflict with GAAP.</td><td>Key audit procedures included the following:
• reviewed the completeness and accuracy of the financial information of entities consolidated in the TSSA
• reviewed the consolidation process, elimination journals, material adjusting and reclassification entries in PRIME (the financial reporting system used by NSW Treasury), including:
– manual adjustments to eliminate mismatches in inter-agency transactions and balances
– the recognition of equity investments held by the GGS in the net assets of entities within the Public Non-Financial Corporation and Public Financial Corporation sectors
– the alignment of various accounting policies to those used at the TSSA
– the consolidation of TCorpIM Funds and non-significant controlled entities
• confirmed the consistency of accounting policies adopted by significant controlled entities
• obtained information on audit issues and misstatements from the component audit teams
• engaged our Systems Assurance Auditors to review the Information Technology General Controls and automated controls in Prime relevant to the preparation of the TSSA
• reviewed the materiality of balances relating to controlled entities not consolidated into the TSSA
• assessed the sufficiency and appropriateness of financial statement disclosures in the TSSA against the requirements of applicable Australian Accounting Standards.</td></tr>
</table>

Key Audit Matter	How my audit addressed the matter
Valuation of property, plant and equipment (PPE)	
At 30 June 2024, the TSS reported $554 billion in PPE measured at fair value. The closing balance of PPE includes a net revaluation increment of $49.8 billion recorded during the year ended 30 June 2024. I consider this to be a key audit matter because of the: • financial significance of the PPE balances to the Consolidated Statement of Financial Position • extent of significant management judgements underpinning key assumptions used in the valuation process • sensitivity of fair value to changes in key assumptions • specialised and unique nature of the assets impacting on judgement and complexities in applying AASB 13 'Fair Value Measurement' requirements. Details of the valuation techniques, inputs and processes for major asset classes are disclosed in Note 15 'Property, Plant and Equipment'.	Key audit procedures included the following: • obtained an understanding of management's approach to estimating the fair value of PPE • assessed the accuracy and completeness of assets included in the revaluation • assessed the competence, capability and objectivity of experts engaged by management • assessed significant judgements made in determining the valuation approach for specialised and unique assets, including impairment • reviewed the reasonableness of key assumptions and sensitivity of the conclusions to changes in those assumptions • assessed the sufficiency and appropriateness of the valuation methodologies and fair value assessments against the requirements of applicable Australian Accounting Standards • assessed the sufficiency and appropriateness of financial statement disclosures against the requirements of applicable Australian Accounting Standards.
Valuation of financial instruments	
At 30 June 2024, the TSS reported financial instruments measured at fair value totalling $106 billion in financial assets and $217 billion in financial liabilities. I consider this to be a key audit matter because: • financial assets and financial liabilities measured at fair value are significant to the Consolidated Statement of Financial Position • small changes to market observable inputs and assumptions can significantly impact the fair value of these financial assets and financial liabilities • significant judgement is applied to determine the classification of financial instruments measured at fair value • management applies significant judgement in the selection of assumptions used to value financial instruments classified as 'level 3' according to the fair value hierarchy under Australian Accounting Standards. Further information on the valuation of financial instruments is disclosed in Note 28 'Financial Instruments'.	Key audit procedures included the following: • obtained an understanding of, and assessed the valuation models applied to each category of financial instrument • assessed the design and tested the operating effectiveness of the key operational and information technology controls supporting the valuation of financial instruments • tested the inputs to the valuation system by comparing them to independent market observable data • compared the calculations of fair value to independent recalculations across a sample of financial instruments • reviewed the key valuation inputs and significant assumptions used by management to value 'level 3' financial instruments for reasonableness, and where data was available, agreed these inputs to market observable data • confirmed the existence and completeness of balances at 30 June 2024 with external counterparties • assessed management's judgement applied to the classification of financial instruments measured at fair value in accordance with applicable Australian Accounting Standards

Key Audit Matter	How my audit addressed the matter
	• assessed the adequacy of financial statement disclosures against the requirements of applicable Australian Accounting Standards.
Valuation of defined benefit superannuation and long service leave liabilities	
At 30 June 2024, the TSS reported net defined benefit superannuation liabilities totalling $39.2 billion and employee long service leave liabilities totalling $13.2 billion. I consider this to be a key audit matter because: • these liabilities are financially significant to the Consolidated Statement of Financial Position • the underlying valuation models used to value the liabilities are complex due to the significant degree of judgement required to determine key assumptions used to value these liabilities • the total value of the liabilities is sensitive to minor changes in valuation inputs. Further information on the valuation of defined benefit superannuation and long service leave liabilities are included in Note 24 'Employee Benefit Liabilities' and Note 25 'Superannuation Provisions'.	Key audit procedures included the following: • obtained an understanding of the processes and key controls in place supporting the defined benefit superannuation liability and long service leave liability calculations • assessed the completeness and accuracy of data used in the valuation models • reviewed the methodology and key assumptions for reasonableness (with the assistance of actuarial experts for defined benefit superannuation liabilities) • assessed the qualifications, competence and objectivity of actuarial experts • assessed the adequacy of the financial statement disclosures against the requirements of Australian Accounting Standards and NSW Treasurer's Directions.
Valuation of outstanding claims liabilities	
At 30 June 2024, the TSS recorded $9.8 billion in self-funded workers' compensation claims liabilities and $21.3 billion in other outstanding claims liabilities. In determining the valuation of the liabilities, management engages actuarial specialists to model and develop assumptions to estimate the outstanding claims liabilities. I consider this to be a key audit matter because: • these liabilities are financially significant to the Consolidated Statement of Financial Position • the degree of judgement in developing assumptions and the complexity of valuation models • the level of judgement means the valuation of the outstanding claims liabilities may change significantly and unexpectedly due to changes in assumptions. Further information on the valuation techniques, inputs and assumptions used to value outstanding claims liabilities is included in Note 24 'Employee Benefit Liabilities' and Note 26 'Other Provisions'.	Key audit procedures included the following: • with the assistance of our actuarial expert ('auditor's expert'): – evaluated the competence, capabilities and objectivity of management's actuaries – gained an understanding of the work of management's actuaries and evaluated the appropriateness of their work, including their models – assessed the valuation methods and approach used by management's actuaries against the requirements of Australian Accounting Standards and consistency with industry practice and the underlying claims exposure – assessed the assumptions used as inputs into the valuation models – assessed the results of the claims experience investigations carried out by management's actuaries, to determine how they inform the adopted assumptions – evaluated the judgements made by management's actuaries in assessing the impact of macroeconomic factors on assumptions – performed an overall assessment of the valuation methodology, key assumptions and models used to derive the valuation of the outstanding claims liabilities

Key Audit Matter	How my audit addressed the matter
	• evaluated the judgement applied in recognising reinsurance recoveries • assessed the adequacy of the related financial statement disclosures against the requirements of applicable Australian Accounting Standards.
Taxation and statutory revenue	
The TSS reported: • $51.8 billion of taxation and statutory revenue (fines, mining royalties and regulatory fees) for the year ended 30 June 2024 • $9.1 billion of statutory receivables and $437 million in an allowance for impairment for taxation and statutory receivables at 30 June 2024. I consider this to be a key audit matter because: • of the financial significance of taxation and statutory revenue and receivables to the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position • the calculation of the allowance related to statutory receivables requires significant judgements and assumptions. Further information on taxation and statutory revenue is included in Note 2 'Revenue' and Note 6 'Receivables'.	Key audit procedures included the following: • evaluated the design and tested operating effectiveness of controls over key revenue streams, including land tax, payroll tax, duties, gaming machine taxes and mineral royalties • recalculated key revenue streams for reasonableness against the requirements of the relevant taxation legislation • tested adjustments capturing lodgement of returns for self-assessed taxes • assessed the methodology and assumptions used to estimate the allowance for impairment related to statutory receivables against historical recoverability rates and write-off of debt for reasonableness • recalculated the allowance for impairment and assessed the completeness and accuracy of data used in the estimation • assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and NSW Treasurer's Directions.

Other Information

The New South Wales Report on State Finances for the year ended 30 June 2024 includes other information in addition to the Total State Sector Accounts and my Independent Auditor's Report thereon. The Treasurer is responsible for the other information.

My opinion on the Total State Sector Accounts does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the Total State Sector Accounts, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Total State Sector Accounts or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

Treasurer's Responsibilities for the Total State Sector Accounts

The Treasurer is responsible for the preparation and fair presentation of the Total State Sector Accounts in accordance with Australian Accounting Standards and section 7.17 of the GSF Act. The Treasurer's responsibility also includes such internal control as the Treasurer determines is necessary to enable the preparation and fair presentation of the Total State Sector Accounts that are free from material misstatement, whether due to fraud or error.

In preparing the Total State Sector Accounts, the Treasurer is responsible for assessing the ability of the GGS and TSS to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Total State Sector Accounts

My objectives are to:

- obtain reasonable assurance about whether the Total State Sector Accounts as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Total State Sector Accounts.

A description of my responsibilities for the audit of the Total State Sector Accounts is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar5.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the GGS and TSS carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the Total State Sector Accounts
- about the security and controls over the electronic publication of the audited Total State Sector Accounts on any website where they may be presented
- about any other information which may have been hyperlinked to/from the Total State Sector Accounts.

Bola Oyetunji
Auditor-General for New South Wales

17 December 2024
SYDNEY

		General Government Sector		Total State Sector	
		2023-24	2022-23	2023-24	2022-23
FROM CONTINUING OPERATIONS	Note	$m	$m	$m	$m
Revenue from Transactions					
Taxation	2	44,603	39,747	44,766	39,911
Grants and Subsidies	2	46,069	45,572	45,922	45,385
Sale of Goods and Services	2	10,156	9,700	17,074	15,402
Interest	2	768	545	3,068	2,476
Dividend and Income Tax Equivalents from Other Sectors	2	679	483	...	...
Other Dividends and Distributions	2	1,432	1,467	1,438	1,172
Fines, Regulatory Fees and Other	2	6,512	8,388	7,027	8,901
Total Revenue from Transactions		**110,219**	**105,901**	**119,295**	**113,248**
Expenses from Transactions					
Employee	3	46,131	42,490	49,210	45,390
Superannuation					
Superannuation Interest Cost	3	1,661	1,583	1,695	1,621
Other Superannuation	3	4,619	4,059	4,946	4,348
Depreciation and Amortisation	3	8,601	7,884	12,096	10,750
Interest	3	6,019	4,232	8,320	5,797
Other Operating Expenses	3	27,994	28,765	33,302	33,292
Grants and Subsidies	3	25,883	27,454	20,759	20,010
Total Expenses from Transactions		**120,909**	**116,467**	**130,328**	**121,209**
Transactions from Discontinuing Operations		...	...	...	...
NET RESULT FROM TRANSACTIONS - NET OPERATING BALANCE (BUDGET RESULT FOR THE GENERAL GOVERNMENT SECTOR)		**(10,690)**	**(10,565)**	**(11,033)**	**(7,961)**

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

		General Government Sector		Total State Sector	
		2023-24	2022-23	2023-24	2022-23
	Note	$m	$m	$m	$m
NET OPERATING BALANCE		**(10,690)**	**(10,565)**	**(11,033)**	**(7,961)**
OTHER ECONOMIC FLOWS - INCLUDED IN THE OPERATING RESULT					
Gain/(Loss) from Liabilities	4	(106)	(186)	(843)	(972)
Other Net Gains/(Losses)	4	2,110	2,215	3,538	5,598
Share of Earnings/(Losses) from Equity Investments (excluding Dividends)	4	(169)	(13)	(294)	(101)
Dividends from Asset Sale Proceeds	4	40	120	...	...
Deferred Income Tax from Other Sectors	4	67	129	...	...
Other	4	(129)	(90)	(130)	(89)
Other Economic Flows - included in Operating Result		**1,813**	**2,175**	**2,272**	**4,435**
OPERATING RESULT		**(8,877)**	**(8,390)**	**(8,761)**	**(3,526)**
OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME					
Items that will not be Reclassified to Operating Result					
Revaluations	15	15,681	33,225	49,811	34,959
Share of Associate's Other Comprehensive Income/(Loss) that will not be Reclassified Subsequently to Operating Result		138	1,706	138	1,706
Remeasurements of Post-Employee Benefits	25	3,649	2,369	3,831	2,527
Net Gain/(Loss) on Equity Instruments at Fair Value through Other Comprehensive Income[(a)]	10	34,104	6,265	(1)	0
Deferred Tax Direct to Equity		271	495	0	0
Other		232	403	179	415
Items that may be Reclassified Subsequently to Operating Result					
Net Gain/(Loss) on Financial Instruments at Fair Value		(0)	0	1	(9)
Other Economic Flows - Other Comprehensive Income		**54,075**	**44,463**	**53,960**	**39,598**
COMPREHENSIVE RESULT - TOTAL CHANGE IN NET WORTH BEFORE TRANSACTIONS WITH OWNERS AS OWNERS		**45,198**	**36,072**	**45,198**	**36,072**
KEY FISCAL AGGREGATES					
COMPREHENSIVE RESULT - TOTAL CHANGE IN NET WORTH BEFORE TRANSACTIONS WITH OWNERS AS OWNERS		**45,198**	**36,072**	**45,198**	**36,072**
Less: Net Other Economic Flows		(55,888)	(46,638)	(56,232)	(44,033)
NET OPERATING BALANCE		**(10,690)**	**(10,565)**	**(11,033)**	**(7,961)**
Less: Net Acquisition of Non-Financial Assets					
Purchases of Non-Financial Assets		20,881	21,208	27,076	26,874
Sales of Non-Financial Assets		(337)	(369)	(489)	(661)
Less: Depreciation and Amortisation		(8,601)	(7,884)	(12,096)	(10,750)
Plus: Change in inventories		143	(117)	112	(187)
Plus: Other Movements in Non-Financial Assets					
Assets Acquired Using Leases		1,131	37	3,139	100
Assets Acquired Using Service Concession Arrangements under					
Financial Liability Model		907	827	907	827
Grant of a Right to the Operator Model		282	273	282	273
Other		(744)	31	(683)	453
Equals Total Net Acquisition of Non-Financial Assets		**13,662**	**14,005**	**18,247**	**16,931**
EQUALS: NET LENDING/(BORROWING)		**(24,351)**	**(24,570)**	**(29,280)**	**(24,892)**

(a) This relates to the change in the carrying amount of the General Government Sector's equity investment in Public Non-Financial Corporation Sector and the Public Financial Corporation Sector excluding equity injection payments and equity transfers to/from these sectors.

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

2023-24	Equity at 1 July 2023	Comprehensive Result[a]	Transfers Between Equity Classes	Equity at 30 June 2024
	$m	$m	$m	$m
General Government Sector				
Accumulated Funds[a]	72,533	(5,003)	1,740	**69,270**
Reserves				
Asset Revaluation Surplus	155,695	16,129	(1,727)	**170,096**
Equity Investment Revaluation Surplus/Hedge Reserve in Associate	3,807	(32)	0	**3,775**
Hedging Reserve	(17)	(0)	...	**(17)**
Financial Assets at Fair Value through Other Comprehensive Income	89,927	34,104	...	**124,031**
Other	13	...	(13)	**(0)**
	321,957	**45,198**	**...**	**367,156**
Total State Sector				
Accumulated Funds[a]	108,305	(4,642)	2,053	**105,716**
Reserves				
Asset Revaluation Surplus	209,802	49,872	(2,042)	**257,631**
Equity Investment Revaluation Surplus/Hedge Reserve in Associate	3,807	(32)	0	**3,775**
Hedging Reserve	(19)	1	...	**(18)**
Financial Assets at Fair Value through Other Comprehensive Income	0	(1)	...	**(0)**
Other	63	...	(11)	**52**
	321,957	**45,198**	**...**	**367,156**

2022-23	Equity at 1 July 2022	Comprehensive Result[a]	Transfers Between Equity Classes	Equity at 30 June 2023
	$m	$m	$m	$m
General Government Sector				
Accumulated Funds[a]	77,013	(6,071)	1,591	**72,533**
Reserves				
Asset Revaluation Surplus	123,172	34,126	(1,603)	**155,695**
Equity Investment Revaluation Surplus/Hedge Reserve in Associate	2,044	1,763	(0)	**3,807**
Hedging Reserve	(6)	(11)	...	**(17)**
Financial Assets at Fair Value through Other Comprehensive Income	83,662	6,265	...	**89,927**
Other	(0)	...	13	**13**
	285,885	**36,072**	**...**	**321,957**
Total State Sector				
Accumulated Funds[a]	107,376	(1,053)	1,983	**108,305**
Reserves				
Asset Revaluation Surplus	176,393	35,383	(1,974)	**209,802**
Equity Investment Revaluation Surplus/Hedge Reserve in Associate	2,044	1,763	(0)	**3,807**
Hedging Reserve	1	(20)	...	**(19)**
Financial Assets at Fair Value through Other Comprehensive Income	0	(0)	...	**0**
Other	71	...	(8)	**63**
	285,885	**36,072**	**...**	**321,957**

(a) The comprehensive result shown as a movement in accumulated funds primarily includes the operating result, remeasurements of post-employee benefits and other in other comprehensive income.

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

	Note	General Government Sector 2023-24 $m	General Government Sector 2022-23 $m	Total State Sector 2023-24 $m	Total State Sector 2022-23 $m
ASSETS					
Financial Assets					
Cash and Cash Equivalents	5	6,886	6,344	17,314	17,214
Receivables	6	13,759	12,001	54,220	21,688
Investments, Loans and Placements					
Financial Assets at Fair Value	7	50,460	48,383	76,222	57,876
Other Financial Assets	7	2,633	2,378	2,570	2,457
Advances Paid	8	930	936	701	671
Tax Equivalents Receivable	9	98	43	...	...
Deferred Tax Equivalents Receivable	9	3,915	3,607	...	...
Equity Investments					
Investments in Other Public Sector Entities	10	155,966	123,003	...	...
Investments in Associates and Joint Ventures	10	10,372	10,545	11,994	11,903
Other Equity Investments	10	15	15	30,186	28,208
Total Financial Assets		**245,034**	**207,255**	**193,207**	**140,017**
Non-Financial Assets					
Contract Assets		73	77	87	90
Inventories	11	1,280	1,088	1,530	1,722
Forestry Stock and Other Biological Assets	12	17	16	798	642
Assets Classified as Held for Sale	13	190	151	277	161
Investment Properties	14	...	...	1,710	1,753
Property, Plant and Equipment					
Land and Buildings	15	139,379	129,648	235,864	213,586
Plant and Equipment	15	15,662	15,161	22,191	19,427
Infrastructure Systems	15	223,829	204,909	295,760	255,653
Right-of-Use Assets	16	6,288	6,185	10,462	8,538
Intangibles	17	5,647	5,176	6,839	6,253
Other Non-Financial Assets	18	1,729	2,009	2,345	2,704
Total Non-Financial Assets		**394,094**	**364,419**	**577,862**	**510,528**
TOTAL ASSETS		**639,128**	**571,674**	**771,069**	**650,545**
LIABILITIES					
Deposits Held	19	344	327	417	399
Payables[(a)]	20	9,691	9,349	43,538	20,428
Contract Liabilities	21	864	858	1,091	989
Borrowings and Derivatives at Fair Value	22	9	17	198,415	152,402
Borrowings at Amortised Cost	23	153,485	132,079	22,082	19,295
Advances Received		438	492	438	492
Employee Benefits Liabilities	24	29,267	25,971	30,652	27,281
Superannuation Provision	25	38,134	41,678	39,241	42,967
Tax Equivalents Payable	9	4	73	...	...
Deferred Tax Equivalents Provision	9	40	42	...	...
Other Provisions[(a)]	26	18,430	17,229	27,841	26,095
Other Liabilities	27	21,268	21,603	40,199	38,239
TOTAL LIABILITIES		**271,973**	**249,717**	**403,914**	**328,588**
NET ASSETS		**367,156**	**321,957**	**367,156**	**321,957**
NET WORTH					
Accumulated Funds		69,270	72,533	105,716	108,305
Reserves		297,885	249,424	261,440	213,653
TOTAL NET WORTH	37	**367,156**	**321,957**	**367,156**	**321,957**
OTHER FISCAL AGGREGATES					
Net Debt	37	**93,365**	**74,873**	**143,197**	**110,858**
Net Financial Liabilities	37	**182,904**	**165,465**	**210,707**	**188,570**

(a) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

		General Government Sector		Total State Sector	
		2023-24	2022-23	2023-24	2022-23
	Note	$m	$m	$m	$m
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Taxation		43,182	39,831	43,397	39,989
Sale of Goods and Services		10,054	10,629	17,200	16,228
Grants and Subsidies		46,154	45,234	46,009	45,051
Interest		666	464	3,309	2,157
Dividends and Income Tax Equivalents from Other Sectors		537	421	...	0
Other		12,325	13,874	15,146	15,905
Total Receipts		**112,919**	**110,453**	**125,061**	**119,330**
Payments					
Employee Related		(43,245)	(40,003)	(46,250)	(42,848)
Superannuation		(6,181)	(5,137)	(6,542)	(5,443)
Payments for Goods and Services[a]		(26,306)	(26,833)	(31,686)	(29,387)
Grants and Subsidies		(24,687)	(26,212)	(19,260)	(18,853)
Interest		(4,294)	(3,163)	(6,291)	(4,268)
Distributions Paid		...	...	(896)	(382)
Other[a]		(7,827)	(9,263)	(9,553)	(11,169)
Total Payments		**(112,541)**	**(110,613)**	**(120,479)**	**(112,350)**
NET CASH FLOWS FROM OPERATING ACTIVITIES	5	**378**	**(160)**	**4,582**	**6,980**
CASH FLOWS FROM INVESTING ACTIVITIES					
Non-Financial Assets					
Proceeds from Sale of Non-Financial Assets		597	280	750	571
Purchases		(20,696)	(22,056)	(26,322)	(27,643)
Net Cash Flows from Investments in Non-Financial Assets		**(20,099)**	**(21,777)**	**(25,572)**	**(27,071)**
Financial Assets (Policy Purposes)					
Receipts		175	268	123	117
Payments		(235)	(127)	(223)	(137)
Net Cash Flows from Investments in Financial Assets (Policy Purposes)		**(60)**	**140**	**(100)**	**(21)**
Financial Assets (Liquidity Purposes)					
Proceeds from Sale of Investments		3,135	4,847	6,850	6,788
Purchase of Investments		(1,662)	(3,295)	(25,483)	(12,479)
Net Cash Flows from Investments in Financial Assets (Liquidity Purposes)		**1,474**	**1,552**	**(18,633)**	**(5,691)**
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(18,686)**	**(20,084)**	**(44,304)**	**(32,782)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances Received		1	1	1	1
Advances Repaid		(77)	(79)	(77)	(79)
Proceeds from Borrowings		21,040	28,457	118,491	120,728
Repayments of Borrowings		(2,122)	(4,983)	(78,600)	(90,524)
Deposits Received/(Paid) - Net		9	(26)	9	(17)
Other (Net)		0	0	(0)	0
NET CASH FLOWS FROM FINANCING ACTIVITIES		**18,850**	**23,370**	**39,823**	**30,109**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**542**	**3,126**	**100**	**4,307**
Opening Cash and Cash Equivalents		6,344	3,216	17,214	12,905
Reclassification of Cash Equivalents and Other Adjustments		(0)	(0)	(0)	(0)
CLOSING CASH AND CASH EQUIVALENTS	5	**6,886**	**6,344**	**17,314**	**17,214**
DERIVATION OF CASH RESULT					
Net Cash Flows from Operating Activities		378	(160)	4,582	6,980
Net Cash Flows from Investments in Non-Financial Assets		(20,099)	(21,777)	(25,572)	(27,071)
CASH SURPLUS/(DEFICIT)	37	**(19,721)**	**(21,936)**	**(20,990)**	**(20,091)**

(a) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1: Statement of Material Accounting Policy Information

Scope

The Total State Sector (TSS) comprises the General Government Sector (GGS), the Public Non-Financial Corporation (PNFC) Sector and the Public Financial Corporation (PFC) Sector. These sectors are determined in accordance with the principles and rules contained in the Australian Bureau of Statistics *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015 (cat. No.5514)* (ABS GFS Manual) as amended from time to time.

The NSW GGS and TSS have applied, where appropriate, not-for-profit Australian Accounting Standards and interpretations.

The financial statements of the GGS and TSS for the year ended 30 June 2024 were authorised for issue by the Treasurer on 17 December 2024. This report was issued from:

Treasury
52 Martin Place
Sydney NSW 2000
AUSTRALIA

Basis of Preparation

The Total State Sector Accounts (TSSA), which comprise the consolidated financial statements of the GGS and the TSS, are general purpose financial statements. The purpose of these financial statements is to provide users with information about the stewardship of the NSW Government in relation to the TSS and GGS. It also provides information that facilitates assessments of the macroeconomic impact of the State.

The financial statements of the TSS and the GGS have been prepared in accordance with:

- applicable Australian Accounting Standards (which include paragraphs applicable to not-for-profit entities and Australian Interpretations), in particular, AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049); and
- division 7.4 of the *Government Sector Finance Act 2018* (GSF Act).

The consolidated financial statements are prepared using the accrual basis of accounting, which recognises the effect of transactions and events when they occur. Property, plant and equipment (including service concession assets), certain intangible assets, forestry stock and other biological assets, investment property, assets (or disposal groups) held-for-sale, equity investment in other public sector entities and financial instruments not measured at amortised cost are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention, except where specified otherwise.

In accordance with AASB 1049, the financial statements of the GGS are included as a separate column adjacent to the TSS financial information. AASB 1049 harmonises Government Finance Statistics (GFS) with Generally Accepted Accounting Principles (GAAP) to the extent that GFS does not conflict with GAAP. This requires the selection of options within the Australian Accounting Standards that harmonise with the ABS GFS Manual. A glossary of key technical terms used in the financial statements, including relevant GFS terminology, is included in Note 39: Key Technical Terms used in the Financial Statements.

The financial statements are presented in Australian dollars which is the State's presentation and functional currency. All amounts are rounded to the nearest one million dollars ($m), except when otherwise indicated.

Use of a zero ('0') represents amounts rounded down to zero. Use of three dots ('…') represents nil amounts. Tables may not add in all instances due to rounding.

Significant Events During the 2023-24 Reporting Period

The NSW State Election in March 2023 resulted in a change in government which brought changes to NSW Cabinet Ministers, being key management personnel of the State and related parties to all NSW Government-controlled entities. Machinery of Government changes, as a result of the Administrative change orders, occurred during the 2022-23 and 2023-24 reporting periods causing several changes to reporting entities. Refer to Note 38: Details of Consolidated Entities for changes to reporting entities.

These changes had consequential financial and annual reporting implications for individual agencies. However, at a State level, there was no material impact as the remit and delivery of the State's responsibilities remained consistent.

Principles of Consolidation

The TSSA consolidates all assets, liabilities, equities, revenues and expenses of the entities controlled by the NSW Government, in accordance with AASB 10 *Consolidated Financial Statements (*AASB 10). The GGS financial statements consolidate only those entities within the GGS, using the consolidation procedures specified in AASB 10, except as described below.

The State controls an entity when it has power over the entity to direct the relevant activities, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The State re-assesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. The State's controlled entities are consolidated from the date on which control commences and deconsolidated from the date control ceases.

The GGS Statement of Financial Position records an equity investment in government controlled entities within the PNFC and PFC sectors as required by AASB 1049. The equity investment is measured at the government's share of the carrying amount of the net assets of the PNFC or PFC entity before consolidation eliminations. Where the carrying amount of a PNFC or PFC entity's net assets is less than zero (before consolidation adjustments), the amount is not included in the GGS's equity investment, however the net liabilities will be consolidated at the TSS level. Changes in the carrying amount of the equity investment from period to period that do not arise from equity injection payments or equity transfers to/from these sectors is recognised through other comprehensive income.

Entities which are not controlled by the State are not consolidated into the financial statements of the State. These include local government bodies, universities, certain reserve trusts created under the *Crown Land Management Act 2016*, hospitals listed under Schedule 3 of the *Health Services Act 1997*, the State's Superannuation Funds, trust funds under management that are not controlled, the NSW Aboriginal Land Council and most professional registration and marketing authorities.

In preparing consolidated financial statements, all transactions and balances between NSW Government agencies (for the TSSA) and between GGS agencies (for the GGS financial statements) have been eliminated. Where agencies adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted.

If the State loses control over an entity, it derecognises the related assets (including goodwill), liabilities and other components of equity, while any resultant gain or loss is recognised in the operating result. Any investment retained is recognised at fair value.

Details of consolidated entities are included in Note 38: Details of Consolidated Entities.

Presentation in the 2023-24 Financial Statements

Certain comparatives have been reclassified to ensure alignment with current year presentation or for the correction of material prior period errors.

Consolidated Statement of Comprehensive Income Presentation

All amounts included in the comprehensive result (total change in net worth before transactions with owners as owners) are classified as ‘transactions’ or ‘other economic flows’ consistent with the principles in the ABS GFS Manual and AASB 1049.

‘Transactions’ are a result of mutually agreed interactions between parties. ‘Other economic flows’ result from a change in the volume or value of an asset or liability that does not result from a ‘transaction’, including revaluations resulting from changes in market prices and other gains and losses that result from changes in the volume of assets.

‘Other economic flows’ are separated between those recognised in the operating result and those recognised in other comprehensive income.

Volunteer Services

Under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058), receipt of volunteer services is recognised as an asset or expense when the fair value of those services can be reliably measured, and the services would have been purchased if not donated.

The operations of volunteer services are dependent on the services provided by volunteer firefighters, emergency service volunteers, and other volunteers. Their contributions are essential to the provision of comprehensive, efficient, and effective emergency services throughout New South Wales. Other volunteer services include activities for health related services.

The contribution and cost of these volunteer services have not been recognised by the State as the services donated would not have been purchased. The State does not currently purchase alternative services when volunteer numbers fluctuate.

Consolidated Statement of Financial Position Presentation

Assets

Assets recognised in the Consolidated Statement of Financial Position are classified into financial and non-financial assets, in order of liquidity.

Liabilities

Liabilities in the Consolidated Statement of Financial Position are presented in order of liquidity.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the associated notes of the Statement of Financial Position.

Assets are classified as 'current' when their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the controlled entity does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

Valuation Techniques, Inputs and Processes

A number of the State's accounting policies and disclosures require the measurement of both financial and non-financial assets and liabilities at fair value. Agencies are responsible for determining the appropriate valuation techniques, inputs and processes to be undertaken to determine the fair value of their financial assets and liabilities in accordance with AASB 13 *Fair Value Measurement* (AASB 13).

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.

When measuring fair value in accordance with AASB 13, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

Under AASB 13, the State categorises, for disclosure purposes, the valuation technique based on the inputs used in the valuation technique within the fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the State 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 State recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer to the relevant notes for further disclosures regarding fair value measurements of financial and non-financial assets and liabilities. Transfers between levels within the fair value hierarchy during the year are disclosed in Note 15: Property, Plant and Equipment and Note 28: Financial Instruments.

Significant Accounting Estimates and Judgements

Judgement, estimates and assumptions are required to be made that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on professional judgements derived from historical experience, independent valuations and/or various other factors that are believed to be reasonable under the circumstances. These results form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from market observable data. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Estimates and judgements are continually evaluated.

Judgements, key assumptions and estimations that have been made in the preparation of the financial statements are outlined below and/or disclosed in the relevant notes to the financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are included in the following notes:

- the recognition and classification of transactions that are/contain a donation or a contract with a customer (refer to Note 2: Revenue);

- the recognition of revenue and allocation of the transaction price for contracts with customers (refer to Note 2: Revenue);
- an assessment whether a TCorp Investment Management (TCorpIM) Fund is controlled by the State or whether the State has joint control or significant influence over a TCorpIM Fund. Determining control or joint control in respect of these funds, under AASB 10 and AASB 11 *Joint Arrangements*, is based on a combination of the rights of investors to remove NSW Treasury Corporation (TCorp) as trustee and manager of a fund and the level of the State's aggregate economic interest. Where the State does not have control or joint control, it has been determined the State does not have significant influence over TCorpIM Funds, as the State's decision-making rights as agent (as trustee and manager of a fund) must be exercised for the benefit of all unitholders collectively and exist independently of the distribution of unitholdings;
- an assessment whether investees of TCorpIM Funds controlled by the State are controlled or jointly controlled by the TCorpIM Funds or whether the TCorpIM Funds have significant influence over the investees;
- the accounting of equity investments including equity investments and transfers to the PNFC and PFC sectors (refer to Note 10: Equity Investments);
- the classification of non-current assets (or disposal groups) as held for sale (refer to Note 13: Assets Classified as Held for Sale);
- the State has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management and after considering the facts from a decision in the Federal Court of Australia: Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period. This position will be re-assessed in future reporting periods as new information comes to light on this matter; and
- recognition and classification of finance and operating leases by the State in its capacity as a lessor (refer to Note 16: Leases).

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- the net realisable value of inventories and loss of service potential of inventories held for distribution (refer to Note 11: Inventories);
- the useful lives of property, plant and equipment (including service concession assets) (refer to Note 15: Property, Plant and Equipment) and intangibles (refer to Note 17: Intangibles);
- the fair value of forestry stock and other biological assets, non-current assets held for sale, investment properties, property, plant and equipment (including service concession assets), and intangibles (refer to Note 12: Forestry Stock and Other Biological Assets, Note 13: Assets Classified as Held for Sale, Note 14: Investment Properties, Note 15: Property, Plant and Equipment, and Note 17: Intangibles);
- the recognition and measurement of service concession assets (refer to Note 15: Property, Plant and Equipment) and associated service concession financial liabilities (refer to Note 23: Borrowings at Amortised Cost) and grant of the right to operate (GORTO) liabilities (refer to Note 27: Other Liabilities);
- recognition of impairment for non-financial assets (refer to Note 15: Property, Plant and Equipment, Note 16: Leases and Note 17: Intangibles);
- the estimation of uncertainties made in relation to lease accounting (refer to Note 16: Leases);
- actuarial assumptions for employee benefit provisions and superannuation liabilities that are based on the likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 24: Employee Benefits Liabilities and Note 25: Superannuation Provisions);
- the estimation of provisions for outstanding claims (refer to Note 26: Other Provisions);

- the estimation of fair value for certain financial assets and financial liabilities measured at level 3 of the fair value hierarchy and the estimation of expected credit losses (ECLs) for receivables, contract assets and other financial assets at amortised cost (refer to Note 28: Financial Instruments); and
- an assessment of contingent liabilities, commitments and guarantees (refer to Note 31: Contingent Liabilities and Contingent Assets).

Catholic Metropolitan Cemeteries Trust

The Catholic Metropolitan Cemeteries Trust (CMCT) was dissolved on 30 June 2024 when All Faiths Catholic Land Manager (AFCLM) was appointed Crown land manager of the land previously managed by CMCT. All non-land rights, assets and liabilities of CMCT were transferred to the Catholic Cemeteries & Crematoria Limited (CCCL) as Trustee of the CCC Trust (CCCT). The State does not control any of the AFCLM, CCCL or CCCT under AASB 10. As a result, the State deconsolidated CMCT from the TSSA on 30 June 2024. Refer Note 38 for further information.

As a controlled entity, before its dissolution, CMCT was required to prepare financial statements under section 7.6 of the GSF Act and have these audited by the Auditor-General under section 34 of the *Government Sector Audit Act 1983* (GSA Act). Consistent with prior years, access to management, books and records of CMCT was not made available to the NSW Government, nor to the Auditor-General for New South Wales for the purpose of a financial audit for the year ended 30 June 2024.

The financial statements of CMCT were audited by a third party auditor, who was appointed by CMCT, and have been provided to Treasury. This third party audit is not an audit conducted by the Auditor-General for New South Wales in accordance with the GSA Act. The third party auditor's opinion states that CMCT's financial statements at 30 June 2024, immediately prior to dissolution, have been prepared in accordance with Australian Accounting Standards, but it does not provide any opinion as to whether they have been prepared in accordance with the GSF Act or relevant Treasurer's directions.

The financial statements of CMCT at 30 June 2024 have been used only for the purposes of deconsolidation of CMCT from the TSSA (2023: consolidation into the TSSA). Net Assets of $321 million have been deconsolidated from the TSSA (2023: $321 million consolidated within the TSSA). Total Comprehensive Income for the year ended 30 June 2024 of $15 million is immaterial to the TSSA and has not been consolidated (2023: $26 million consolidated within the TSSA).

Statutory Land Managers and Commons Trusts

There are 574 Category 2 Statutory Land Managers (SLMs) and 73 Commons Trusts (CTs) entities controlled by the State.

Section 7.6 of the GSF Act requires SLMs and CTs to prepare annual financial statements and to give them to the Auditor-General for audit, unless they meet reporting exemption criteria specified in the *Government Sector Finance Regulation 2024*. The majority of these entities have not prepared financial statements in accordance with the GSF Act. This is because 588 SLMs and CTs (or 91% of the 647 SLMs and CTs in total) were assessed in 2023-24 to meet the prescribed reporting exemption requirements, based on their small size, and are therefore not required to prepare financial statements under the GSF Act. The remainder do not meet the reporting exemption criteria, but most have not complied with their obligations under section 7.6 of the GSF Act.

The land managed by all SLMs and CTs is valued each year by the Department of Planning Housing and Infrastructure (DPHI) and this land value is included in the TSSA in aggregate ($468 million, 2022-23: $466 million).

As part of the preparation for the TSSA, Treasury and DPHI reviewed the available evidence to support the value of non-land assets, liabilities, revenue and expenditure of the SLMs and CTs.

To obtain additional, reliable evidence for asset values, fair market valuations for the building assets of 81 of the largest SLMs and CTs were obtained during 2023-24. As a result of these valuations, $250 million was recognised for SLM and CT building assets against the asset revaluation surplus in the TSSA for the first time in the current year only, based on their depreciated replacement cost.

The review of the available evidence for remaining non-land assets, liabilities, revenues and expenditures of the SLMs and CTs indicated that these remaining values are sufficiently low in value so as to be immaterial to the TSSA and therefore no further values beyond the land and building assets noted above have been consolidated in the TSSA.

Other Significant Accounting Policies

Foreign Currency Translation

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

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. Differences arising on settlement or translation of monetary items are recognised in other economic flows – included in the operating result.

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 other economic flows – included in the operating result are also recognised in other comprehensive income or other economic flows – included in the operating result, respectively).

Changes in Accounting Policy, including New and Amended Standards and Interpretations

Several amendments and interpretations apply for the first time in the 2023-24 financial year, but do not have a material impact on the financial statements of the State.

New Accounting Standards Issued but Not Yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period.

- **AASB 17 *Insurance Contracts* (AASB 17)**

  AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*. Australian Accounting Standard AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* was issued in December 2022 and amends AASB 17 to include modifications that apply to public sector entities. AASB 17 is effective for public sector insurers from 1 July 2026.

  An implementation project has commenced and is expected to be completed by July 2025 to have one full year of a parallel run before the commencement of AASB 17 on 1 July 2026. The State will continue to assess the impact of the new requirements and emerging industry guidance on financial statements.

- **AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* (AASB 2020-1)**

  AASB 2020-1 is effective from reporting periods commencing on or after 1 January 2024. AASB 2020-1 amends AASB 101 *Presentation of Financial Statements* (AASB 101) to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The estimated impact of AASB 2020-1 on future estimated financial statements has not been sufficiently quantified at this stage.

- **AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* (AASB 2022-6)**

  AASB 2022-6 is effective from reporting periods commencing on or after 1 January 2024. AASB 2022-6 amends AASB 101 to improve financial statements information about liabilities arising from loan arrangements for which the right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the compliance of conditions specified in loan arrangements. The estimated impact of AASB 2022-6 on future estimated financial statements has not been sufficiently quantified at this stage.

- **AASB 2022-10** ***Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*** **(AASB 2022-10)**

  AASB 2022-10 is effective from reporting periods commencing on or after 1 January 2024. AASB 2022-10 amends AASB 13 for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The estimated impact of AASB 2022-10 on future estimated financial statements has not been sufficiently quantified at this stage.

There are no other standards that are not yet effective and that are expected to have a material impact on the State's financial statements in the current or future reporting periods and on foreseeable future transactions.

Note 2: Revenue

Taxation

Government-assessed and taxpayer-assessed taxation income is recognised under AASB 1058 when the underlying taxable event that results in a right to receive income has occurred, unless it cannot be measured reliably until after the financial statements are authorised for issue. Taxpayer assessed revenues (including payroll tax and lotteries tax) are reliably measured when payments or returns are received.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Taxation - Non-Contractual Income from Statutory Requirements				
Payroll Tax	12,486	11,551	12,276	11,354
Transfer Duties	14,188	12,253	14,188	12,253
Land Tax	7,097	6,001	7,050	5,952
Gambling and Betting	3,507	3,374	3,507	3,374
Motor Vehicle Taxes	3,108	2,780	3,108	2,780
Other	4,218	3,788	4,638	4,198
	44,603	**39,747**	**44,766**	**39,911**

Grants and Subsidies

Revenue from grants with sufficiently specific performance obligations (SSPOs) are recognised under AASB 15 *Revenue from Contracts with Customers* (AASB 15) when the State satisfies a performance obligation by transferring the promised goods or carrying out the specified services. Grant agreements with SSPOs include certain Commonwealth specific purpose and national partnership agreements (including National Health Reform Funding agreements). The State's obligations under these agreements primarily relate to the delivery of public health services including clinical trials, research, screening programs, disease surveillance, dental services, immunisation programs, and other community health projects. These contractual services are to be provided by the State over the next one to four years.

Revenue from each distinct performance obligation in the agreement is primarily recognised over time, based on the progress towards satisfaction of the performance obligation. Various methods are employed to recognise revenue over time, depending on the nature and terms and conditions of the grant contract. The most common method applied is the output method which is based on the milestones reached. Payments are provided upon completion of each milestone and submission of the performance report for each completed milestone by the due dates stipulated in the contract agreements and/or its schedules.

Revenue from grants with SSPOs are recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Refer to Note 21: Contract Liabilities for the transaction price allocated to the performance obligations that have not been satisfied at the end of the year and the time periods when it is expected to be recognised as revenue.

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the State is recognised under AASB 1058 when the State satisfies the obligation under the transfer. The State primarily satisfies performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress of non-financial asset construction and completion. Grants to acquire/construct recognisable non-financial assets primarily relate to Commonwealth funding received for the construction and upgrade of road and transport infrastructure assets to identified specification.

Income from grants without SSPOs are recognised under AASB 1058 when the State obtains control over the granted assets recognised under applicable accounting standards (e.g. cash and cash equivalents). Such funding includes GST funding, national partnership payments, and certain recurrent specific purpose payments received from the Commonwealth.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Grants and Subsidies Revenue				
Commonwealth General Purpose[(a)]	26,665	26,024	26,665	26,024
Commonwealth Specific Purpose Payments	12,958	12,286	12,958	12,286
Commonwealth National Partnership Payments	4,988	5,837	4,988	5,837
Other Grants and Subsidies	1,456	1,426	1,310	1,238
	46,069	**45,572**	**45,922**	**45,385**
Grants and Subsidies Revenue and Income Recognition Approaches				
Grants and Subsidies with SSPOs	7,629	7,505	7,629	7,506
Grants and Subsidies Relating to the Acquisition or Construction of Recognisable Non-Financial Assets to be Controlled by the State	3,449	2,409	3,432	2,409
Grants and Subsidies without SSPOs	34,990	35,658	34,861	35,470
	46,069	**45,572**	**45,922**	**45,385**

(a) General purpose recurrent grants mainly comprise the State's share of GST funding.

Transfer Payments from the Commonwealth

Grant revenue and expenses exclude the following transfer payments from the Commonwealth that the State on-passes to third parties. They are not recorded as the State's revenue and expenses as the State has no control over the amounts that it on-passes.

Transfer Payments from the Commonwealth Government on-passed by NSW to Third Parties	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Transfer Receipts				
Transfer Receipts for Specific Purposes	6,872	6,748	6,872	6,748
	6,872	**6,748**	**6,872**	**6,748**
Transfer Payments				
Transfer Payments to Local Government	896	1,188	896	1,188
Transfer Payments to the Private and Not-For-Profit Sector	5,976	5,560	5,976	5,560
	6,872	**6,748**	**6,872**	**6,748**

Sale of Goods and Services

Sale of goods and rendering of other services are recognised in accordance with the requirements of AASB 15. Revenue is recognised when the State satisfies a performance obligation by transferring the promised goods or services. Revenue is measured based on the consideration specified in the contract with a customer.

The transaction price for sales of goods and rendering of services takes into account estimates of variable consideration such as discounts and refunds. The State does not expect to have any significant contracts where the period between the transfer of promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the State does not adjust transaction prices for the time value of money for most revenues from contracts with customers.

Non-intellectual property licence fees arising from statutory requirements, excluding short-term and low value licences, are recognised as revenue under AASB 15 when the licence is issued. The State has elected to not apply the requirements of AASB 15 and accompanying application guidance to short-term licences and licences for which the transaction price is of low value. Revenue for these licences is recognised on a straight-line basis or another systematic basis over the licence period.

Refer to Note 21: Contract Liabilities for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and the time periods when the State expects to recognise the unsatisfied portion as revenue.

Rental revenue arising from operating leases is recognised on a straight-line basis over the lease term under AASB 16 *Leases* (AASB 16).

	General Government Sector 2023-24	General Government Sector 2022-23	Total State Sector 2023-24	Total State Sector 2022-23
	$m	$m	$m	$m
Sale of Goods and Services Comprises Revenue from:				
Revenue from Contracts with Customers				
Sale of Goods and Rendering of Other Services[(a)]	8,294	8,237	14,137	12,915
Licence Fees	793	759	799	759
Rental Income				
Rentals from Public Housing and Non-Investment Properties	465	357	1,481	1,357
Rentals from Investment Properties	...	...	143	93
Other	605	347	513	278
	10,156	**9,700**	**17,074**	**15,402**
Rentals from the provision of Public Housing includes:				
Market Rent and Other Tenant Charges	85	68	1,919	1,900
Less: Rental Subsidies to Tenants	(23)	(22)	(1,049)	(1,079)
	62	**46**	**870**	**821**

(a) In 2023-24, there was $1,326 million revenue (2022-23: $1,707 million) in the GGS related to the Transport Asset Holding Entity of New South Wales (TAHE) recognised in sale of goods and rendering of other services. The majority of this relates to major rail project delivered by the GGS.

The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms and revenue recognition approaches for the State's key revenues generated from the sale of goods and rendering of other services.

Type of Good or Service	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Sale of Goods	The State sells goods including forestry products, vehicle plates, pharmaceutical supplies and prosthesis. The State typically satisfies its performance obligations when customers obtain control of the goods. Payments are typically due when invoiced or within agreed billing terms.	Revenue is recognised when the customer obtains control of the goods, typically when the goods are delivered to the customer.
Electricity Distribution Services	The State provides electricity distribution, meter reading and public lighting services. Customers simultaneously receive and consume distribution services as the State provides the service. Distribution services are billed to retailers based on energy consumption and tariff rates determined by the regulator. Invoices are issued monthly and are usually payable within 15-30 days.	Revenue is recognised over time as electricity distribution services are provided. Unbilled services are accrued based on the historical consumption of customers and prices per customer class.
Health Services	The State recognises revenue from health patient and non-patient services with performance obligations being fulfilled at health service completion. Customers of health services are either billed at the time-of-service delivery or in accordance with contractual agreements. The payments for these services are typically due when invoiced.	Revenue for patient services is recognised on an accrual basis when the service has been provided to the patient. Revenue from non-patient services is recognised when the promised services are delivered.
Transport Passenger Services	The State recognises revenue from passenger services including train, bus and ferry trips. These revenues include proceeds from OPAL cards and ticket sales. Passenger services revenue is measured at the transaction price which is the price per passenger trip and includes any discounts provided to customers. Payments from customers are received either in advance or at the time-of-service provision.	Revenue is recognised when the service is provided to the customers.
Water and Water Related Services	The State recognises revenue from water retail, wastewater and trade waste services consisting primarily of volumetric and fixed availability charges. Customers simultaneously consume those services when provided by the State. Water services are billed to customers based on water consumption and prices determined by the regulator or customer agreement. Invoices are issued monthly or quarterly and are usually payable within 30 days.	Revenue from volumetric charges is recognised over time with the transfer and consumption of water and water related services. The State recognises an estimate for the accrued revenue earned from unbilled consumption when meters have not been read as at the reporting date. Revenue from fixed service availability charges received in advance is recognised evenly over time as customers receive service connections.
Services - Other	The State recognises revenue from other services rendered including education, road tolls and transportation access charges, court and tribunal administration services, wharfage and pilotage services, event entry and management, and auxiliary administration support. Revenue is measured at the transaction price agreed under the contract. Payments are due either at service provision date, within agreed billing terms, or on key contract milestone dates.	Revenues from other services are recognised when the service is provided by reference to the type and stage of services provided to date.

Refer to Note 21: Contract Liabilities for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the entity expects to recognise the unsatisfied portion as revenue.

Interest

Interest revenue is recognised under AASB 9 *Financial Instruments* (AASB 9) 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 ECLs).

Gains and losses on the revaluation of investments do not form part of revenue from transactions but are reported as part of other economic flows – included in the operating result in the Consolidated Statement of Comprehensive Income.

Refer to Note 28: Financial Instruments for further information on interest income classified by financial instrument measurement categories.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Interest Revenue comprises:				
Interest from Deposits with TCorp	0	8	...	...
Interest from Other Financial Assets	768	537	3,068	2,476
	768	**545**	**3,068**	**2,476**

Dividend and Income Tax Equivalents from Other Sectors

The GGS receives dividends and tax equivalent payments (pursuant to National Competition Policy, the National Tax Equivalent Regime and the Tax Equivalent Regime) from some of the State's PNFC and PFC agencies. On consolidation, dividend and income tax equivalent entries are eliminated for the TSS.

Dividend income is recognised under AASB 9 in revenue from transactions during the period when the GGS's right to receive the payment has been established. Dividends paid out of asset sale proceeds are recorded in other economic flows – included in the operating result.

Income tax equivalents (represented by the current tax payable/receivable by/from the PNFC and PFC sectors) are recognised under AASB 1058 in revenue from transactions when the underlying taxable event that results in a right to receive income has occurred unless it cannot be measured reliably until after the financial statements are authorised for issue.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Dividend and Income Tax Equivalents from Other Sectors:				
Dividends from the PNFC Sector	285	213	...	...
Dividends from the PFC Sector	130	106	...	...
Income Tax Equivalents from the PNFC Sector	204	108	...	...
Income Tax Equivalents from the PFC Sector	60	55	...	...
	679	**483**	**...**	**...**

Other Dividends and Distributions

Distributions from managed funds in the GGS are mainly from the State's investments in TCorpIM Funds. Distributions from investments in TCorpIM Funds controlled by the State are eliminated on consolidation of the TSS. Distributions in the TSS are mainly distributions received by TCorpIM Funds controlled by the State from their financial assets and distributions from TCorpIM Funds not controlled by the State. Other dividends include dividends received from investments in entities other than the PNFC and PFC sectors. Dividend income is recognised under AASB 9 in revenue from transactions in the period when the State's right to receive the payment have been established.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Other Dividends and Distributions:				
Distributions from Managed Funds and Other Investments	1,116	1,256	1,122	953
Dividends from Associates and Joint Ventures	317	211	317	218
	1,432	**1,467**	**1,438**	**1,172**

Fines, Regulatory Fees and Other Revenues

Fines, regulatory fees and other revenues are recognised and measured throughout the 2023-24 financial year as follows:

- Industry and developer contributions are recognised as revenue under AASB 15 at a point in time, being the time that the State takes control of the contribution / asset or when the asset is connected to a network;
- Royalties from mining are recognised under AASB 1058 when the underlying event that results in a right to receive income has occurred, unless it cannot be measured reliably until after the financial statements are authorised for issue;
- Fines issued by the courts are recognised as income under AASB 1058 when the fine is issued. Traffic infringement fines are recognised when the cash is received. Revenue from enforcement orders is regarded as being reliably measured when the order is issued;
- Donations and other contributions without SSPOs are recognised as income under AASB 1058 when the State obtains control over the financial or non-financial asset; and
- Revenue from grant of a right to operator (GORTO) service concession arrangements is recognised under AASB 1059 *Service Concession Arrangements: Grantors* according to the economic substance of each service concession arrangement.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Fines, Regulatory Fees and Other Revenues comprise:				
Revenue from Contracts with Customers				
Industry and Developer Contributions	...	...	398	373
Non-Contractual Income Arising from Statutory Requirements				
Royalties from Mining	3,053	4,658	3,053	4,658
Fines	713	800	715	805
Regulatory Fees	214	138	220	144
Other Incomes				
Donations and Other Contributions	753	996	736	1,004
Revenue Related to Service Concession Arrangements[(a)]	698	666	698	666
Other Revenue	1,080	1,130	1,206	1,251
	6,512	**8,388**	**7,027**	**8,901**

(a) This revenue reflects the progressive unwinding of grant of right to operate liabilities (Note 27: Other Liabilities) over the remaining period of the arrangements. Refer to Note 15: Property, Plant and Equipment for further details on service concession arrangements.

Disaggregation of Revenue from Contracts with Customers

Revenue from contracts with customers is disaggregated by NSW Government function (policy area) in the following tables.

General Government Sector

2023-24	Grants and Subsidies with Sufficiently Specific Performance Obligations	Sale of Goods and Rendering of Other Services	Licence Fees	Total
	$m	$m	$m	$m
Disaggregation of Revenue from Contracts with Customers by Function (Policy Area)				
General Public Services	1	515	29	**545**
Defence	...	...	...	**...**
Public Order and Safety	4	533	32	**569**
Economic Affairs	35	215	24	**274**
Environment Protection	13	182	0	**195**
Housing and Community Amenities	...	416	1	**417**
Health	7,487	2,773	10	**10,270**
Recreation, Culture and Religion	2	171	0	**173**
Education	4	784	...	**788**
Social Protection	...	34	...	**34**
Transport	84	2,672	697	**3,453**
Total	**7,629**	**8,294**	**793**	**16,716**

2022-23	Grants and Subsidies with Sufficiently Specific Performance Obligations	Sale of Goods and Rendering of Other Services	Licence Fees	Total
	$m	$m	$m	$m
Disaggregation of Revenue from Contracts with Customers by Function (Policy Area)				
General Public Services	6	411	1	**418**
Defence	...	0	0	**...**
Public Order and Safety	1	423	74	**498**
Economic Affairs	29	237	22	**288**
Environment Protection	0	91	0	**91**
Housing and Community Amenities	63	471	0	**534**
Health	7,328	2,711	10	**10,049**
Recreation, Culture and Religion	7	154	0	**161**
Education	4	709	0	**713**
Social Protection	...	30	0	**30**
Transport	67	3,000	652	**3,719**
Total	**7,505**	**8,237**	**759**	**16,501**

Total State Sector

2023-24	Grants and Subsidies with Sufficiently Specific Performance Obligations	Sale of Goods and Rendering of Other Services	Licence Fees	Industry and Developer contributions	Total
	$m	$m	$m	$m	$m
Disaggregation of Revenue from Contracts with Customers by Function (Policy Area)					
General Public Services	1	722	29	...	**752**
Defence	...	...	...	...	**...**
Public Order and Safety	4	431	32	...	**467**
Economic Affairs	35	2,981	30	185	**3,231**
Environment Protection	13	161	0	...	**174**
Housing and Community Amenities	...	3,495	1	213	**3,709**
Health	7,487	2,767	10	...	**10,264**
Recreation, Culture and Religion	2	713	0	...	**715**
Education	4	783	...	...	**787**
Social Protection	...	34	...	...	**34**
Transport	84	2,050	697	...	**2,831**
Total	**7,629**	**14,137**	**799**	**398**	**22,963**

2022-23	Grants and Subsidies with Sufficiently Specific Performance Obligations	Sale of Goods and Rendering of Other Services	Licence Fees	Industry and Developer contributions	Total
	$m	$m	$m	$m	$m
Disaggregation of Revenue from Contracts with Customers by Function (Policy Area)					
General Public Services	6	615	1	...	**622**
Defence	...	...	...	...	**...**
Public Order and Safety	1	415	74	0	**490**
Economic Affairs	29	2,761	22	207	**3,019**
Environment Protection	...	117	...	0	**117**
Housing and Community Amenities	64	3,192	...	166	**3,422**
Health	7,328	2,712	10	...	**10,050**
Recreation, Culture and Religion	7	682	...	...	**689**
Education	4	709	...	...	**713**
Social Protection	...	31	...	...	**31**
Transport	67	1,682	652	...	**2,401**
Total	**7,506**	**12,915**	**759**	**373**	**21,554**

Note 3: Expenses

Employee Expenses (excluding Superannuation)

The recognition and measurement policy for employee expenses is detailed in Note 24: Employee Benefits Liabilities. Some employee-related expenses are capitalised as part of the construction costs of certain non-current physical assets. Payroll tax paid by GGS agencies is eliminated in the GGS financial statements, along with the PNFC and PFC amounts, in the TSS financial statements.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Employee Expenses Comprise:				
Salaries and Wages (including Recreation Leave)	40,658	37,604	43,397	40,152
Long Service Leave	1,583	1,503	1,690	1,621
Workers' Compensation	2,775	2,150	2,819	2,181
Other	1,114	1,234	1,304	1,436
	46,131	**42,490**	**49,210**	**45,390**

In addition to the above, $1,266 million (2022-23: $1,155 million) in the GGS and $1,950 million (2022-23: $1,767 million) in the TSS has been capitalised in property, plant and equipment, and intangible assets.

Superannuation Expense

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Superannuation Interest Costs Comprise:				
Net Interest[(a)]	1,661	1,583	1,695	1,621
	1,661	**1,583**	**1,695**	**1,621**
Other Superannuation Expenses Comprise:				
Defined Benefit Plans, excluding Actuarial Gains/Losses[(a)]	171	201	195	225
Defined Contribution Plans	4,448	3,858	4,752	4,124
	4,619	**4,059**	**4,946**	**4,348**

(a) Refer to Note 25: Superannuation Provisions for a dissection of defined benefit superannuation expense by component.

Depreciation and Amortisation Expenses

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Depreciation and Amortisation Expenses Comprise:				
Depreciation of[(a)]				
Buildings	2,818	2,493	3,853	3,439
Plant and Equipment	1,109	1,011	1,426	1,264
Infrastructure Systems	3,294	2,870	4,996	4,161
Right-of-Use Assets[(b)]	808	838	1,046	1,034
Amortisation of[(a)]				
Intangibles	573	672	775	852
	8,601	**7,884**	**12,096**	**10,750**

(a) Refer to Note 15: Property, Plant and Equipment and Note 16: Leases for the basis of useful lives applied to calculate depreciation of property, plant and equipment and right-of-use assets on a straight-line basis. Refer to Note 17: Intangibles for the basis of useful lives applied to calculate amortisation of intangibles on a straight-line basis.

(b) Right-of-use assets depreciation expense is presented by class of underlying asset in Note 16: Leases. Amounts in Note 3: Expenses and Note 16: Leases are different due to the capitalisation of depreciation.

Interest Expense

Interest costs, including borrowing costs under AASB 123 *Borrowing Costs*, are recognised as expenses in the period in which they occur. Refer to Note 28: Financial Instruments for information on interest expense by financial instrument measurement categories.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Interest Expenses Comprise:				
Interest on Borrowings and Advances	4,673	3,338	6,183	4,474
Interest on Lease Liabilities	252	266	636	461
Interest on Service Concession Financial Liabilities	217	159	258	202
Unwinding of Discounts on Provisions	877	469	1,243	660
	6,019	**4,232**	**8,320**	**5,797**

Other Operating Expenses

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Other Operating Expenses Comprise:				
Lease Expenses[a]	238	275	319	344
Contractor Fees	1,725	2,078	2,158	2,603
Consultancy Fees	58	130	106	193
Audit Fees[b]	...	...	...	...
Insurance Claims[c]	1,663	1,594	2,207	2,401
Supplies, Services and Other[d]	21,707	21,957	23,621	23,234
External Maintenance (excluding Employee Costs associated with maintenance)	2,602	2,732	4,891	4,518
	27,994	**28,765**	**33,302**	**33,292**

(a) Lease expenses include lease payments not included in the measurement of lease liabilities. Expenses include payments for short-term leases, low-value leases and variable lease payments that do not depend on an index or rate.
(b) Fees to the Audit Office of New South Wales have not been presented because they have been eliminated in the consolidation of the GGS and TSS. The audit fees eliminated total $30 million for the GGS (2022-23: $30 million) and $42 million for the TSS (2022-23: $40 million). In addition, performance and other audit fees eliminated total $13 million (2022-23: $12 million) for the GGS and TSS.
(c) Insurance claims for the TSS is lower than the prior year due to changes in actuarial assumptions and discount rates.
(d) Supplies, Services and Other includes inventory consumption related expenses of $353 million (2022-23: $204 million) for the GGS and $360 million (2022-23: $253 million) for the TSS, mainly contributed by Ministry of Health for the write-off of expired items.

Grants and Subsidies

Grants and subsidy expenses are generally comprised of cash contributions to local government authorities and non-government organisations. They are expensed when the State transfers control of the assets. For the GGS, they also include grants and subsidies paid to PNFCs and PFCs, which are eliminated in the TSS.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Grants, Subsidies and Transfers for[a]				
Recurrent Purposes	23,582	24,378	19,106	19,261
Capital Purposes	2,301	3,076	1,653	749
	25,883	**27,454**	**20,759**	**20,010**

(a) Refer to Note 36: Disaggregated Financial Statements for information on total expenses (excluding losses) by function.

Note 4: Other Economic Flows Included in the Operating Result

Other economic flows mainly comprise of gains and losses on re-measurement of assets and liabilities. These gains or losses are other economic flows which are included in the operating result or other comprehensive income.

Refer to Note 28: Financial Instruments for information on fair value adjustments to financial instruments by financial instrument measurement categories.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Gain/(Loss) from Liabilities				
Changes in Discount Rates for Long Service Leave Liabilities[(a)]	(228)	84	(241)	84
Changes in Discount Rates for Land Remediation Provisions	4	(1)	4	(1)
Changes in Discount and Inflation Rates for Insurance Liabilities[(b)]	119	(269)	219	(303)
Net Gain / (Losses) for Remeasurement of Interests in TCorpIM Funds of Investors Not Controlled by the State	...	...	(825)	(752)
	(106)	**(186)**	**(843)**	**(972)**
Other Net Gains/(Losses) in the Operating Result				
Disposal of Property, Plant and Equipment	(10)	(159)	21	(178)
Disposal of Intangible Assets	1	(8)	1	(9)
Fair Value Adjustments to:				
Property, Plant and Equipment	...	...	(0)	0
Investment Properties	...	...	(35)	(128)
Forestry Stock and Other Biological Assets	...	(7)	137	(4)
Non-Current Assets Classified as Held for Sale	(0)	0	(0)	0
Financial Instruments[(c)]	2,369	2,583	3,669	6,027
Assets Recognised for First Time	73	36	81	38
Infrastructure and Other Assets Written Off	(626)	(100)	(769)	(166)
Other	304	(132)	433	18
	2,110	**2,215**	**3,538**	**5,598**
Share of Earnings/(Losses) from Equity Investments (excluding Dividends)	**(169)**	**(13)**	**(294)**	**(101)**
Dividends from Asset Sales Proceeds	**40**	**120**	**...**	**...**
Deferred Income Tax from Other Sectors	**67**	**129**	**...**	**...**
Other				
Impairment Losses on Financial Assets	(129)	(90)	(130)	(89)
	(129)	**(90)**	**(130)**	**(89)**
Other Economic Flows - included in Operating Result	**1,813**	**2,175**	**2,272**	**4,435**

(a) The loss on the revaluation of long service leave liabilities in the 2023-24 financial year was due to the revised assumptions and discount rates.

(b) Relates to changes in the discount and inflation rates used on outstanding claims liabilities for the NSW Self Insurance Corporation, and Lifetime Care and Support Schemes. Refer to Note 26: Other Provisions for changes in rates.

(c) The $2,358 million decrease in TSS fair value adjustments to financial instruments is mainly driven by market valuation of TCorpIM Fund unit holdings and a drop in gains on TCorp bonds and borrowings due to market yield decreases in the 2023-24 financial year compared to the 2022-23 financial year.

Note 5: Cash and Cash Equivalents

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank and in hand, short term deposits and other investments with an original maturity of three months or less (which are subject to an insignificant risk of a change in value), and TCorp deposits. Cash and cash equivalents are presented net of outstanding bank overdrafts for the purposes of the Consolidated Statement of Cash Flows.

Cash and cash equivalents recognised in the Consolidated Statement of Financial Position are agreed at the end of the financial year to the Consolidated Statement of Cash Flows, and are as follows:

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Cash and Short-Term Deposits	6,886	6,344	17,314	17,214
	6,886	**6,344**	**17,314**	**17,214**

TSS cash and deposits held at banks and other financial institutions include consolidated TCorpIM Fund Trust holdings in cash and short-term deposits amounting to $2,719 million (2022-23: $2,637 million).

Reconciliation of Operating Result to Net Cash Flows from Operating Activities

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Operating Result for the Year	(8,877)	(8,390)	(8,761)	(3,526)
Adjusted for:				
Non-Cash Items:				
Depreciation and Amortisation	8,601	7,884	12,096	10,750
Donations and Contributions	(188)	(436)	(550)	(774)
Capital Grant Expense	931	405	1,233	321
Revenue Related to Service Concession Arrangements	(698)	(666)	(698)	(666)
Other Non-Cash Operating Activities	657	376	599	19
Other Economic Flows - included in the Operating Result	(1,813)	(2,175)	(2,272)	(4,435)
Net Change in Operating Assets and Liabilities	1,765	2,842	2,935	5,292
Net Cash Flows from Operating Activities	**378**	**(160)**	**4,582**	**6,980**

Restricted Cash Assets

Cash assets in the Consolidated Statement of Financial Position also comprise cash and term deposits held by the Crown in right of the State of New South Wales (the Crown) in Special Deposit Accounts (SDA) for Restart NSW of $484 million (2022-23: $821 million) and can only be used in accordance with the legislation that established the account. Sales proceeds from major asset transactions were deposited in the State's dedicated infrastructure fund Restart NSW and/or the State's dedicated debt retirement fund, the New South Wales Generation Fund (NGF) of $6 million (2022-23: $122 million). Funds are withdrawn from the TCorpIM Fund investments and deposited into the Restart SDA bank account for anticipated infrastructure spend.

Non-Cash Financing and Investing Activities

During 2023-24:

- Assets acquired through leasing arrangements totalled $1,131 million (2022-23: $37 million) for the GGS and $3,139 million (2022-23: $100 million) for the TSS. Further information on leasing arrangements is disclosed in Note 16: Leases.

- Assets acquired through service concession arrangements totalled $1,189 million (2022-23: $1,100 million) for the GGS and $1,189 million (2022-23: $1,100 million) for the TSS. Further information on service concession arrangements is disclosed in Note 15: Property, Plant and Equipment.
- In the GGS and TSS, a total of $698 million (2022-23: $666 million) was recognised for revenue related to service concession arrangements. This revenue relates to arrangements where the State has granted private sector operators the right to earn revenue from third-party users of the acquired service concession asset.
- Other assets acquired free of cost in the GGS amounted to $188 million (2022-23: $436 million). This mainly comprises of assets donated to NSW public sector agencies for infrastructure, transport, health, education and cultural purposes. In the TSS, these assets amounted to $550 million (2022-23: $774 million). They include sub-divider/developer contributions of water assets of $209 million (2022-23: $164 million) and electricity assets of $174 million in 2023-24 (2022-23: $175 million).

Reconciliation of Movements of Liabilities to Cash Flows Arising from Financing Activities

The tables below reconcile movements of financial liabilities to cash flows arising from financing activities.

General Government Sector

30 June 2024	Deposits Held	Other Borrowings at Amortised Cost	Lease Liabilities	Service Concession Financial Liabilities	Advances Received	Total
Note	19	23	23	23		
	$m	$m	$m	$m	$m	$m
Carrying Amount at Start of Year	**327**	**120,122**	**6,781**	**5,176**	**492**	**132,897**
Financing Net Cash Flows	9	20,674	(908)	(848)	(76)	**18,850**
Non-Cash Items:						
Lease and Non-Financial Asset Additions	...	...	1,071	907	...	**1,978**
Other Movements	8	530	(196)	177	22	**541**
Carrying Amount at End of Year	**344**	**141,325**	**6,748**	**5,412**	**438**	**154,266**

30 June 2023	Deposits Held	Other Borrowings at Amortised Cost	Lease Liabilities	Service Concession Financial Liabilities	Advances Received	Total
Note	19	23	23	23		
	$m	$m	$m	$m	$m	$m
Carrying Amount at Start of Year	**353**	**94,871**	**7,657**	**4,913**	**545**	**108,338**
Financing Net Cash Flows	(26)	25,018	(889)	(658)	(75)	**23,370**
Non-Cash Items:						
Lease and Non-Financial Asset Additions	...	...	5	827	...	**832**
Other Movements	...	233	8	94	22	**357**
Carrying Amount at End of Year	**327**	**120,122**	**6,781**	**5,176**	**492**	**132,897**

Total State Sector

30 June 2024	Deposits Held	Bonds and Other Borrowings Issued by TCorp	Other Fair Value Borrowings	Other Borrowings at Amortised Cost	Lease Liabilities	Service Concession Financial Liabilities	Advances Received	Total
Note	19	22	22	23	23	23		
	$m	$m	$m	$m	$m	$m	$m	$m
Carrying Amount at Start of Year	**399**	**146,781**	**3,437**	**3,397**	**9,257**	**6,640**	**492**	**170,404**
Financing Net Cash Flows	9	21,002	20,224	643	(1,028)	(952)	(76)	**39,823**
Non-Cash Items:								
Lease and Non-Financial Asset Additions	...	...	...	...	3,068	907	...	**3,975**
Fair Value Adjustments	...	3,575	0	...	...	...	...	**3,575**
Other Movements	9	864	...	123	(151)	176	22	**1,043**
Carrying Amount at End of Year	**417**	**172,222**	**23,661**	**4,163**	**11,147**	**6,771**	**438**	**218,819**

30 June 2023	Deposits Held	Bonds and Other Borrowings Issued by TCorp	Other Fair Value Borrowings	Other Borrowings at Amortised Cost	Lease Liabilities	Service Concession Financial Liabilities	Advances Received	Total
Note	19	22	22	23	23	23		
	$m	$m	$m	$m	$m	$m	$m	$m
Carrying Amount at Start of Year	**432**	**120,931**	**...**	**2,100**	**10,165**	**6,404**	**545**	**140,577**
Financing Net Cash Flows	(17)	27,319	3,437	1,193	(991)	(753)	(78)	**30,109**
Non-Cash Items:								
Lease and Non-Financial Asset Additions	...	...	...	...	70	827	...	**897**
Fair Value Adjustments	...	(1,870)	...	...	...	...	...	**(1,870)**
Other Movements	(16)	401	...	104	13	162	25	**690**
Carrying Amount at End of Year	**399**	**146,781**	**3,437**	**3,397**	**9,257**	**6,640**	**492**	**170,404**

Note 6: Receivables

Receivables are recognised initially at fair value plus any directly attributable transaction costs. Receivables that do not contain a significant financing component are measured at the transaction price. Receivables are subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables, including taxation, fines and levy receivables, are not classified as financial instruments for financial reporting purposes.

Refer to Note 28: Financial Instruments for further information on the credit risk of receivables.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	11,695	9,873	52,101	19,433
Non-Current	2,063	2,128	2,120	2,255
	13,759	**12,001**	**54,220**	**21,688**
Receivables Comprise:				
Contractual Receivables:				
Sale of Goods and Services[(a)]	1,692	1,503	2,495	2,382
Dividends from the PNFC and PFC Sectors	454	439	0	0
Asset Sales	833	1,074	836	1,077
Interest	20	16	179	75
Other[(b)]	2,211	1,892	42,331	11,250
Statutory Receivables:				
Taxation	7,389	6,074	7,256	5,939
Dust Disease Insurance Levies Accrued[(c)]	967	835	967	835
Fines	891	852	891	852
	14,457	**12,686**	**54,955**	**22,410**
Less: Loss Allowance[(d)]	(698)	(685)	(735)	(722)
	13,759	**12,001**	**54,220**	**21,688**

(a) Sale of goods and services comprise receivables from contracts with customers as per AASB 15.

(b) The TSS includes an amount of $38,122 million (2022-23: $8,008 million) in managed investment funds due from brokers for securities sold that have been contracted for but not yet delivered by the end of the period. The balance due from brokers is held for collection and consequently measured at amortised cost.

(c) Levies receivable under the *Workers' Compensation (Dust Diseases) Act 1942* reflect the full funding of total claim liabilities as estimated by actuaries at the reporting date. This recognises the legislative power given to the State to impose levies to meet the cost of claim obligations under this Act.

(d) The allowance for impairment mainly comprises expected credit losses related to the sale of goods and services of $233 million (2022-23: $253 million), the collection of fees and fines of $399 million (2022-23: $377 million) and payroll tax of $38 million (2022-23: $42 million).

Note 7: Investments, Loans and Placements

Financial Assets at Fair Value

Investments, loans and placements measured at fair value comprise of debt investments, managed fund investments (including TCorpIM Funds) and derivative assets.

The State's debt investments and managed fund investments are initially and subsequently measured at fair value through profit or loss (FVTPL).

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Debt and managed funds investments 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. These investments are measured at FVTPL.

Derivative assets are classified as held for trading and are measured at FVTPL. The measurement basis may change for derivatives designated as hedges, depending on whether they are determined to be effective hedges.

TCorpIM Funds are available to all NSW Government agencies holding an appropriate financial arrangements approval as defined in the GSF Act, and certain other public bodies, local councils and universities. Each TCorpIM Fund has been established as an individual unit trust and each trust has its own investment objective and strategy. As the majority unit holder in some TCorpIM Funds, the State has assessed it controls these Funds under AASB 10. Thus, for the State-controlled TCorpIM Funds, underlying assets and liabilities are consolidated into the Consolidated Statement of Financial Position of the TSS. The State has invested a major component of Restart NSW money and the New South Wales Generation Fund (NGF) in TCorpIM Fund Trust investments.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current[(a)]	1,729	1,724	70,654	51,869
Non-Current[(a)]	48,731	46,659	5,567	6,007
	50,460	**48,383**	**76,222**	**57,876**
Financial Assets at Fair Value comprise:				
Financial Assets Held for Trading				
Derivative Assets	232	230	3,351	2,273
	232	**230**	**3,351**	**2,273**
Designated and Effective Hedging Instruments				
Derivative Assets	1	1	0	3
	1	**1**	**0**	**3**
Financial Assets at FVTPL				
Interest Bearing Securities[(b)]	28	4	53,831	40,792
TCorpIM Funds	50,066	48,105	...	...
Managed Funds and Other Investments[(c)]	132	43	19,040	14,808
	50,227	**48,152**	**72,871**	**55,600**
Total Financial Assets at Fair Value	**50,460**	**48,383**	**76,222**	**57,876**

(a) The current and non-current classification is different in the GGS and TSS due to differing investment objectives.
(b) Interest bearing securities are debt investments and include bonds, certificates of deposit, floating rate notes and other debt securities.
(c) This amount includes $121 million for the Shared Equity Scheme to assist single parents, older singles and first home buyers who are key workers with buying a home (2023: $29 million). Note, the Shared Equity Scheme was reported under "Interest Bearing Securities" in the 2022-23 TSSA.

Other Financial Assets

Other financial assets are non-derivative financial assets comprising predominately of term deposits and leases receivable under finance lease arrangements. Other financial assets are initially measured at fair value plus any transaction costs and are subsequently measured at amortised cost using the effective interest method.

Amounts due from lessees under finance leases are classified at amortised cost and recognised at the amount of the State's net investment in the lease. Finance income is allocated to accounting periods to reflect a constant periodic rate of return on the State's net investment outstanding in respect of the leases.

Term deposits with an original maturity of less than 3 months are classified as Cash and Cash Equivalents (Note 5: Cash and Cash Equivalents).

Further information regarding fair value measurement, credit risk, and market risk of financial assets at fair value and other financial assets are described in Note 28: Financial Instruments.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	114	61	410	411
Non-Current	2,519	2,317	2,159	2,046
	2,633	**2,378**	**2,570**	**2,457**
Financial Assets at Amortised Cost Comprise:				
Term Deposits - Maturity Greater Than 3 Months	6	5	303	334
Leases Receivable[(a)]	1,669	1,597	2,026	1,933
Other	958	776	240	190
	2,633	**2,378**	**2,570**	**2,457**

(a) Refer to Note 16: Leases for further details regarding leases receivable recognised under AASB 16.

Note 8: Advances Paid

Advances paid are loans provided for government policy purposes rather than for liquidity management and are made with contractual interest rates intentionally set below the market interest rate that would otherwise apply.

Advances are initially measured at fair value (estimated as the present value of all future cash receipts discounted using Government bond rate) plus any transactions costs. The difference between the nominal value of the loan and its estimated fair value is recognised as the discount component, which is expensed immediately. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method, less impairment.

Refer to Note 28: Financial Instruments for further information on the credit risk and market risk of advances paid.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	82	84	73	83
Non-Current	848	853	629	588
	930	**936**	**701**	**671**

Note 9: Income Tax Equivalents

Commercial PNFCs and PFCs, excluding TCorp, are part of a National Tax Equivalent Regime (NTER). TCorp is part of a Tax Equivalent Regime (TER). TAHE's transition to a not-for-profit entity in the current year has resulted in TAHE being de-registered under the Tax Equivalent Regime in February 2024. Although exempt from income tax obligations to the Commonwealth, members of the NTER / TER accrue and pay income tax equivalents to the State and adopt tax effect accounting to maintain competitive neutrality for commercial government entities. The GGS recognises accrued receivables and payables which equate to the amounts accrued by PNFCs and PFCs for income tax equivalents. These amounts are eliminated on consolidation of the TSS.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Tax Equivalents Receivable	98	43	...	...
Deferred Tax Equivalents Receivable	3,915	3,607	...	...
Receivable from the PNFC/PFC Sectors	**4,013**	**3,649**	**...**	**...**
Tax Equivalents Payable	4	73	...	...
Deferred Tax Equivalents Provision	40	42	...	...
Payable to the PNFC/PFC Sectors	**45**	**115**	**...**	**...**

Note 10: Equity Investments

Equity Investments in Other Public Sector Entities

In the GGS financial statements, the interest in the PNFC and PFC sectors is accounted for as an equity investment based on the State's proportional share of the carrying amount of net assets of those sectors (before consolidation adjustments), in accordance with AASB 1049. The exception is investments in TCorpIM Funds controlled by the State. Controlled TCorpIM Funds are classified as PFCs. Investments in TCorpIM Funds are presented as Financial Assets at FVTPL (refer to Note 7: Investments, Loans and Placements).

As at 30 June 2024, the Government's proportional share of the carrying amount of the net assets of the PNFC and PFC sectors is $156.0 billion (30 June 2023: $123.0 billion).

The Government's proportional share in the carrying amount of net assets in State-Owned Corporations (SOCs) is $69.8 billion (30 June 2023: $37.1 billion). This $32.7 billion increase is predominately driven by the $31.1 billion increase in the fair value of the property, plant and equipment reported by the Transport Asset Holding Entity of NSW (TAHE) due to its revised revaluation approach required by its transition to a not-for-profit entity, with valuations now based on current replacement cost (except for land which is under market approach). Previously, TAHE used the income approach to value the majority of its property, plant and equipment (except for land held for alternative use).

The remainder is made up of the State's proportional share in the carrying amount of the net assets of PNFC and PFC entities other than SOCs.

The GGS has irrevocably elected to account for the change in the carrying amount of these investments in a manner consistent with the treatment of equity instruments measured at fair value through other comprehensive income (FVOCI) in AASB 9 that would otherwise be measured at FVTPL. Equity investments are designated at FVOCI when the State intends to hold these investments for the medium to long-term for strategic policy purposes. This accounting policy choice does not apply to investments of the State in TCorpIM Funds classified as financial assets at FVTPL.

Movements in the carrying amount are taken through other economic flows - other comprehensive income. These gains and losses on these investments are never reclassified to the operating result. Dividends are recognised as income as part of revenues from transactions when the right of payment has been established.

Note 38: Details of Consolidated Entities lists the entities of which the Government has control, including TCorpIM Funds.

The carrying amounts of the investments at year end are summarised below:

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Investments in Other Public Sector Entities				
Investments in PNFCs	141,807	109,232	...	...
Consolidation Adjustment to Investment in Net Assets	(69)	(71)	...	...
Investments in PFCs	1,944	1,326	...	...
Consolidation Adjustment to Investment in Net Assets[(a)]	12,284	12,515	...	...
	155,966	**123,003**	**...**	**...**

(a) The PFC consolidation adjustment to investment in net assets relates to the elimination of differences of TCorp loans to government measured at fair value and agency borrowings at amortised cost.

The annual movements of the investments are summarised below:

	General Government Sector	
	2023-24	2022-23
	$m	$m
Investment in Other Public Sector Entities at Start of Year	123,003	117,025
Net Contributions to/(Returns from) Other Sectors by/(to) Owner[(a)]	(1,142)	(287)
Recognised in Operating Result - Other Economic Flows:		
Revaluation Gain/(Loss) for Period in Other Sectors	34,334	4,249
Movement for the Period in the Consolidation Adjustment	(229)	2,016
Total Investments in Other Sector Entities at End of Year	**155,966**	**123,003**

(a) Returns from other sectors to owner primarily comprise the transfer of 1,642 social housing dwellings (2023: 505 properties).

Accounting policy information for additions to equity investments

Transfers into PNFC and PFC entities are recognised as an equity investment in entities in these sectors if there is a reasonable expectation of a sufficient rate of return on the injection. Otherwise, the transfer is recorded as a capital transfer expense.

The Government's policy TPG22-28 *Returns on Equity Investments* states the minimum expected return from a SOC on additional funding that is being provided to a SOC via an equity or capital injection must be at least equal to the long-term inflation rate target defined by the Reserve Bank of Australia.

Irrespective of whether transfers into PNFC and PFC entities are recognised as equity investment or a capital transfer expense, increases in the net assets of the PNFC and PFC entities as a result of such transfers also increases the equity investment held by the GGS in those entities.

Transport Asset Holding Entity of NSW (TAHE)

GGS Contributions to TAHE

TAHE is the asset owner of the metropolitan and Country Regional Network (CRN). Its role is to provide access to rail and freight operators, oversee asset and safety management, and oversee network capital investment.

During 2022-23, the government communicated its intent and expectations in relation to the future operating model of TAHE. The changes in direction and impacts to TAHE's operating model meant there was no longer an expectation of a sufficient rate of return, on the contributions made to TAHE by the GGS. As a result, from 1 July 2022, capital funding provided to TAHE is recorded as a capital transfer expense in the GGS Statement of Comprehensive Income. These changes only affect the respective accounting recognitions for TAHE by the GGS and PNFC sectors, however, they do not change the recognition for TAHE within the TSS.

In December 2023, an amendment to the *Transport Administration Act 1988* changed TAHE's primary objective to undertaking its activities in a safe and reliable way, with commerciality becoming a secondary objective. As a result, TAHE was assessed as a not-for-profit entity for accounting purposes for the year ended 30 June 2024, despite TAHE remaining a SOC at 30 June 2024.

In June 2024 the government introduced the *Transport Administration Amendment Bill 2024* (Bill) to the NSW Parliament. This legislation will convert TAHE from a SOC into a statutory corporation, that is also a NSW government agency called Transport Asset Manager of New South Wales (TAM). The Bill was assented on 23 September 2024.

On commencement of the amended legislation, TAHE will be removed from the listing of Statutory SOCs in Schedule 5 of the *State Owned Corporations Act 1989* and, at the same time, TAM will carry forward the operations of TAHE according to the government's revised objectives for it.

Net Contributions to SOCs

As described above, equity injections into PNFC and PFC entities, including SOCs, are recognised as an addition to the equity investment in entities in these sectors. The exception to this treatment is if there is no reasonable expectation of a sufficient rate of return on contributed equity, in which case, the transfer is recorded as a capital transfer expense.

The table below sets out for each SOC:

- Contributed Capital - total contributions to the SOC which were recognised as an addition to the equity investment in the past. This is mostly capital contributed upon establishment of the SOC.
- Total Equity - total equity of the SOC, which is equal to the Government's proportional share of the carrying amount of the net assets of the SOC. For all SOCs, Total Equity usually exceeds Contributed

Capital because Total Equity includes Contributed Capital as well as retained earnings and the impact of asset revaluations.

- Returns to Government in the form of:
  - Dividends and income tax equivalents payable by the SOCs to the Government, as disclosed in their Annual Reports; and
  - Movements in the value of the Government's proportional share of the carrying amount of the net assets of the SOC, other than as a result of equity contributed by the Government (such as profits retained for investment and the impact of asset revaluations).

	Sydney Water	Hunter Water	WaterNSW	Essential Energy	TAHE*	Landcom	Forestry Corporation	Port Authority
	$m	$m	$m	$m	$m	$m	$m	$m
Contributed capital as at 30 June 2024	3,912	119	363	131	26,764	273	492	166
Total equity as at 30 June 2024	9,092	1,568	1,126	3,544	51,717	689	1,615	497
Dividends and tax equivalents (6 years cumulative)	3,615	403	224	141	149	396	112	172
Changes in total equity, other than as a result of contributed capital (6 years cumulative)	521	297	413	1,165	7,698*	(103)	263	176
Total return on the Government's equity investment (6 years cumulative)	4,136	700	637	1,306	7,847	293	375	348

* The movement in TAHE's total equity is mainly attributed to TAHE's property, plant and equipment revaluation increment in 2023-24.

	Sydney Water	Hunter Water	WaterNSW	Essential Energy	TAHE	Landcom	Forestry Corporation	Port Authority
	$m	$m	$m	$m	$m	$m	$m	$m
Contributed capital as at 30 June 2023	3,912	119	363	131	26,764*	273	492	166
Total equity as at 30 June 2023	8,516	1,512	1,067	3,596	19,856	671	1,479	428
Dividends and tax equivalents (6 years cumulative)	4,093	417	293	142	149	648	155	324
Changes in total equity, other than as a result of contributed capital (6 years cumulative)	(56)	240	355	1,217	(24,162)**	(122)	127	108
Total return on the Government's equity investment (6 years cumulative)	4,037	658	648	1,359	(24,013)	526	283	432

* This excludes $1.6 billion contributed equity in 2022-23 per TAHE's financial statements. For treatment of GGS contributions to TAHE in the TSSA, please refer to the section above 'GGS Contributions to TAHE' in this note.
** The movement in TAHE's total equity (other than as a result of contributed capital) is mainly attributed to TAHE's asset revaluation decrement in 2020-21 due to a change in valuation approach from a cost approach, which is based on replacement cost, to an income approach, which is based on the cash flows expected at the time to be generated. Note: the service capacity of the assets was not affected.

SOCs are established for the purpose of delivering on policy outcomes whilst operating as a successful business and, to this end:

- Operating at least as efficiently as any comparable businesses; and
- Maximising the net worth of the State's investment in the SOC.

The NSW SOCs are established under the *State Owned Corporations Act 1989* (the SOC Act) and must comply with the requirements set out in the SOC Act. In addition to the requirements under the SOC Act, SOCs also operate under NSW Treasury's Commercial Policy Framework (the CPF).

The CPF includes a policy requirement within TPP 18-02 *Commercial Policy Framework - Performance Reporting and Monitoring Policy for Government Businesses* that each SOC develop a Statement of Corporate Intent (SCI). The SCI is an annual agreement between the Government, as owner, and the SOC, which:

- Outlines objectives and performance targets for key financial and non-financial measures;
- Summarises the business' forward planning and business strategy; and
- Serves as a key mechanism for communicating strategy and goals to the Government.

Under the CPF, consistent with TPG 21-10 *Commercial Policy Framework: Capital Structure and Financial Distribution Policy for Government Businesses*, an agreement is reached each year as to the level of dividends to be paid by each SOC. The level of profits either retained for reinvestment in the business or paid out as dividends varies between years, according to the needs of the business and of the Government as a shareholder.

More information about the SOCs listed above can be found in their annual SCI and Annual Report, published on their respective websites.

Investments in Associates and Joint Ventures

Associates are all entities over which the State has significant influence but not control or joint control. This is generally the case where the State holds between 20% and 50% of the voting rights. Joint ventures are all entities over which the State has joint control. Joint control exists where decisions about the relevant activities require the unanimous consent of the parties sharing control.

Equity investments in associates and joint ventures are initially accounted for at cost or at the fair value of the retained interest. Dividends received from associates are recognised in revenue from transactions when the right to receive the dividend is established. Equity investments in associates and joint ventures are accounted for using the equity method.

Movements in the State's share of profits are recognised in the operating result, split between dividends recognised as revenue from transactions and the share of earnings excluding dividends recognised as other economic flows – included in the operating result based on the State's share of ownership. Revaluation movements in the State's share of equity are recognised as a change to reserves and recognised as other economic flows – other comprehensive income.

Investments in Associates and Joint Ventures accounted for using the equity method comprise the State's share in:	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Ausgrid[(a)]	7,390	7,568	7,390	7,568
Endeavour Energy[(a)]	2,983	2,977	2,983	2,977
TCorpIM Funds	...	...	1,622	1,358
	10,372	**10,545**	**11,994**	**11,903**

(a) This represents the State's retained interest of 49.6% in these entities.

Ausgrid

Ausgrid is the operator of one of the leading electricity networks in Australia, distributing electricity to the Sydney, Central Coast and Hunter regions of New South Wales.

The State holds an investment in associate of 49.6 per cent in Ausgrid via a corporation constituted under the *Electricity Retained Interest Corporations Act 2015*, named Electricity Retained Interest Corporation - Ausgrid. The remaining 50.4 per cent is owned by the private sector by IFM Investors, APG Asset Management and AustralianSuper operating the network under a 99-year lease.

As the State does not control the entity, it has applied the equity method to account for its investment in Ausgrid. The following table summarises information for the associate, not the State's share of those amounts, and amended to reflect fair value adjustments and modifications for differences in accounting policy, in accordance with AASB 12 *Disclosure of Interests in Other Entities* (AASB 12).

	2023-24	2022-23
	$m	$m
Ausgrid's assets and liabilities[(a)]		
Current Assets	724	704
Non-Current Assets	27,868	27,544
Current Liabilities	(1,961)	(2,459)
Non-Current Liabilities	(11,733)	(10,532)
Equity	**14,898**	**15,257**
Ausgrid's profit or loss and other comprehensive income		
Revenue	2,527	2,381
Profit/(Loss) Before Income Tax	116	282
Profit After Income Tax	**116**	**282**
Other Comprehensive Income	(87)	3,477
Total Comprehensive Income	**29**	**3,759**
Ausgrid's distributions paid		
Distributions Paid	(379)	(100)
Return of Capital	(9)	...
Total Distributions Paid	**(388)**	**(100)**
Ausgrid's commitments and contingent liabilities		
Capital Expenditure	376	323
Quantifiable Contingent Liabilities	37	37

(a) During 2023-24, the State did not invest any additional monies in Ausgrid (2022-23: Nil).

Reconciliation of the above summarised financial information to the carrying amount of the State's interest in Ausgrid:

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
The State's share in %	49.6	49.6	49.6	49.6
The State's share in Net Assets	7,390	7,568	7,390	7,568
The State's share in Profit After Income Tax	58	140	58	140
The State's share in Other Comprehensive Income	(43)	1,725	(43)	1,725
The State's share in Distributions Paid	(193)	(50)	(193)	(50)

Endeavour Energy

Endeavour Energy is the operator of the electrical distribution network for Western Sydney, the Blue Mountains, the Southern Highlands and the Illawarra region of New South Wales.

New South Wales holds an investment in associate of 49.6 per cent in Endeavour Energy via a corporation constituted under the *Electricity Retained Interest Corporations Act 2015*, named Electricity Retained Interest Corporation – Endeavour Energy. The remaining 50.4 per cent is owned by the private sector by the Edwards partner consortium, operating the network under a 99-year lease.

As the State does not control the entity, it has applied the equity method to account for its investment in Endeavour Energy. The following table summarises information for the associate, not the State's share of those amounts, and amended to reflect fair value adjustments and modifications for differences in accounting policy.

	2023-24 $m	2022-23 $m
Endeavour Energy's assets and liabilities[(a)]		
Current Assets	782	563
Non-Current Assets	12,200	12,064
Current Liabilities	(782)	(366)
Non-Current Liabilities	(6,187)	(6,259)
Equity	**6,013**	**6,002**
Endeavour Energy's profit or loss and other comprehensive income		
Revenue	1,559	1,471
Profit/(Loss) Before Income Tax	181	173
Profit After Income Tax	**181**	**173**
Other Comprehensive Income	88	0
Total Comprehensive Income	**268**	**173**
Endeavour's distributions paid		
Distributions Paid	(259)	(326)
Endeavour Energy's commitments and contingent liabilities		
Capital Expenditure	100	120
Quantifiable Contingent Liabilities	0	1

(a) During 2023-24, the State invested $0.9 million in Endeavour Energy (2022-23: Nil).

Reconciliation of the above summarised financial information to the carrying amount of the State's interest in Endeavour Energy:

	General Government Sector		Total State Sector	
	2023-24 $m	2022-23 $m	2023-24 $m	2022-23 $m
The State's share in %	49.6	49.6	49.6	49.6
The State's share in Net Assets	2,983	2,977	2,983	2,977
The State's share in Profit After Income Tax	90	86	90	86
The State's share in Other Comprehensive Income	43	0	43	0
The State's share in Distributions Paid	(128)	(162)	(128)	(162)

TCorpIM Funds

Certain TCorpIM Funds controlled by the State invest in commercial real estate and other investments through associates and joint ventures. The State holds between 17 and 50 per cent (2022-23: 20 and 50 per cent) ownership in these entities.

The State has applied the equity method to account for these investments. There are no quoted market prices available for most of the State's investments.

The reporting period for most of the associates and joint ventures is years ending 30 June. For those entities that have different reporting periods, 31 December is the financial year-end. Financial statements for years ended 31 December 2023 have been used for 2023-24 (2022-23: 31 December 2022), adjusted for movements in the net asset values of the respective TCorpIM funds. No material significant transactions or events occurred between 31 December 2023 and the date of the State’s financial statements (2022-23: Nil).

The following table summarises information on the State’s investment in its associates and joint ventures through TCorpIM Funds controlled by the State that are not individually material.

	General Government Sector 2023-24	General Government Sector 2022-23	Total State Sector 2023-24	Total State Sector 2022-23
	$m	$m	$m	$m
The State's share of TCorpIM Funds' assets and liabilities				
Current Assets	...	...	105	83
Non-Current Assets	...	...	2,678	2,437
Current Liabilities	...	...	(53)	(109)
Non-Current Liabilities	...	...	(1,108)	(1,053)
Equity	**...**	**...**	**1,622**	**1,358**
The State's share of TCorpIM Funds' profit				
Revenue	...	...	133	150
Profit/(Loss) Before Income Tax	...	...	(10)	(26)
Income Tax Expense	...	...	(5)	...
Profit After Income Tax	**...**	**...**	**(15)**	**(28)**
Other Comprehensive Income	...	...	(0)	1
Total Comprehensive Income	**...**	**...**	**(15)**	**(27)**
The State's share of TCorpIM Funds' commitments and contingent liabilities				
Capital Expenditure	...	...	137	161
Quantifiable Contingent Liabilities	...	...	10	10

Other Equity Investments

The State's other equity investments comprise of investments in listed and unlisted equity securities measured at FVTPL.

Other equity investments are classified at initial recognition as either measured at FVTPL or are irrevocably elected by the State to be measured at FVOCI. These equity investments are measured at their fair value plus, in the case of an equity investments not at FVTPL, transaction costs that are directly attributable to the acquisition of the instrument. The State has not elected to measure any of these equity investments at FVOCI throughout the 2023-24 financial year (30 June 2023: Nil).

Other equity investments held by the TSS predominately comprise of TCorpIM Fund Trust investments in equity securities. In total, TCorpIM Fund Trusts have investments in equity securities amounting to $30,171 million (2022-23: $28,193 million).

Further information regarding fair value measurement and market risk of other equity investments are described in Note 28: Financial Instruments.

	General Government Sector 2023-24	General Government Sector 2022-23	Total State Sector 2023-24	Total State Sector 2022-23
	$m	$m	$m	$m
Other Equity Investments Comprise:				
Other Equity Investments - At FVTPL[(a)(b)(c)]	15	15	30,186	28,208
	15	**15**	**30,186**	**28,208**

(a) Other equity investments are mandatorily measured at FVTPL.
(b) A portion of equity investments held within TCorpIM Fund Trusts are expected to be realised within 12 months, However, an estimate of that amount cannot be reliably determined as at the reporting date.
(c) Includes IMFund Trust equity instruments on loan through repurchase agreements of $354 million (2022-23: $444 million).

Note 11: Inventories

Inventories (other than those held for distribution) are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average cost or the 'first in first out' method. 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. Land held for resale, for government agencies that trade in land, is recorded taking into account various acquisition, development and other costs.

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount, or any loss of operating capacity due to obsolescence.

The cost of inventories acquired at no cost or for nominal consideration on the date of acquisition is recognised at its current replacement cost. The current replacement cost is the cost the State would incur to acquire the asset on the reporting date.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	540	670	896	1,069
Non-Current	740	417	634	653
	1,280	**1,088**	**1,530**	**1,722**
Inventories Comprise:				
Raw Materials	12	69	59	131
Work in Progress	26	7	32	13
Finished Goods	12	42	12	42
Consumable Stores	6	6	199	175
Land and Property Held for Resale[a]	54	53	596	449
Inventories Held for Distribution				
Consumables[b][c]	629	570	632	572
Buildings and Infrastructure[d]	541	340	...	340
	1,280	**1,088**	**1,530**	**1,722**

(a) Includes work in progress specifically related to the construction of land and property held for resale.
(b) Consumables held for distribution primarily relate to medical and drug supplies used in the provision of public health services, firefighting consumables, and protective and operational clothing as required.
(c) An allowance for impairment of $44 million (2022-23: $286 million) has been recognised for medical and surgical supplies included as part of consumables.
(d) Buildings and infrastructure for the GGS relates to $541 million for the Blackwattle Bay precinct redevelopment (incorporating the new Sydney Fish Market) delivered by Infrastructure NSW (2022-23: $340 million). This was reclassified as property, plant and equipment in the TSS in 2023-24 (refer to Note 15: Property, Plant and Equipment).

Land and property held for resale, for government agencies that trade in land and property, has been recorded at:

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Acquisition Cost[a]	54	52	380	228
Development Cost[a]	...	1	216	222
	54	**53**	**596**	**449**

(a) Balances in TSS mainly comprise residential and commercial land that is held for sale in Landcom.

Note 12: Forestry Stock and Other Biological Assets

Forestry stock is measured on initial recognition and in subsequent periods at fair value less costs to sell in accordance with AASB 141 *Agriculture* and AASB 13. The State's forestry stock primarily consists of plantation timber (softwood). Hardwood assets are currently impaired, and its tree crop value is not recognised in the financial statements.

Other biological assets primarily consist of livestock and fodder and are stated at market value and any increments or decrements are recognised through the Statement of Comprehensive Income.

Further details regarding the fair value measurement of forestry stock and other biological assets are disclosed in Note 15: Property, Plant and Equipment.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Opening balance as at 1 July	**16**	**23**	**642**	**646**
Purchases	1	...	19	...
Harvested timber recognised in profit or loss	...	...	(47)	(21)
Change in fair value less costs to sell	...	(7)	184	17
Other	...	(0)	...	(0)
Closing balance as at 30 June	**17**	**16**	**798**	**642**

Note 13: Assets Classified as Held for Sale

Non-current assets (or disposal groups) are classified as held for sale, where their carrying amount will be recovered principally through a sale transaction and not through continuing use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups), and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

Further details regarding the fair value measurement of non-current assets held for sale are disclosed in Note 15: Property, Plant and Equipment.

The assets classified as held for sale at 30 June 2024 were:

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Non-Current Assets Held for Sale				
Land and Buildings	190	151	277	161
	190	**151**	**277**	**161**

Note 14: Investment Properties

The State owns properties 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. After 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 fair value are included in other economic flows – included in the operating result for the period in which they arise. No depreciation is charged on investment properties, however, where material, 'consumption of capital' is recognised as an expense from transactions.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in 'other economic flows – included in the operating result' in the period of de-recognition.

Management has determined that the following be treated as property, plant and equipment, instead of investment properties:

- public housing is treated as property plant and equipment because the properties are held to provide a social service rather than for investment purposes; and
- properties sub-leased within the NSW public sector held by Property and Development NSW are treated as property plant and equipment because the properties are held to provide a service rather than for investment purposes.

Further details regarding the fair value measurement of investment property are disclosed in Note 15: Property, Plant and Equipment.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Opening balance as at 1 July – fair value	**...**	**...**	**1,753**	**1,741**
Additions	...	...	3	119
Disposals and assets held for sale	...	...	(11)	(0)
Net gain / (loss) from fair value adjustment	...	...	(35)	(129)
Other	...	...	(0)	22
Closing balance as at 30 June – fair value	**...**	**...**	**1,710**	**1,753**

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

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Rental income	...	...	117	102
Direct operating expenses arising from investment properties that generated rental income	...	...	(7)	(7)
Direct operating expenses that did not generate rental income	...	...	(0)	(1)
	...	**...**	**110**	**94**

Note 15: Property, Plant and Equipment

Property, plant and equipment comprises three asset classes: land and buildings, plant and equipment, and infrastructure systems.

Property, plant and equipment is initially recognised at cost, in accordance with AASB 116 *Property, Plant and Equipment* (AASB 116). Those assets acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition. The cost of assets constructed for own use includes the cost of materials, direct labour, and foreign exchange gains and losses arising during construction, as well as an appropriate proportion of variable and fixed overhead costs that can be reliably attributed to the assets.

Property, plant and equipment is subsequently measured at fair value in accordance with AASB 116, AASB 13 and TPP 21-09 *Valuation of Physical Non-Current Assets at Fair Value*.

In general, property, plant and equipment with a value greater than $5,000 is capitalised except for computer equipment which is normally capitalised irrespective of the $5,000 threshold where it is considered to be part of a network of assets. Assets are not recognised where they cannot be reliably measured.

Service Concession Assets

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

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

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

Subsequent to the initial recognition or reclassification, service concession assets are measured at current replacement cost and accounted for in accordance with the depreciation and impairment requirements of AASB 116 and AASB 136 *Impairment of Assets* (AASB 136).

At the end of the service concession arrangement:

- the State accounts for the asset in accordance with other Australian Accounting Standards, with the State reclassifying the asset based on its nature or function;
- reference to fair value reverts from the mandated current replacement cost under AASB 1059 to the appropriate approach under AASB 13; and
- the asset is only derecognised when the State loses control of the asset in accordance with AASB 116 and AASB 138 *Intangible Assets* (AASB 138).

Revaluation of Property, Plant and Equipment

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 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.

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 the reporting date. Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from the carrying value.

The market or income approach is used to fair value the following types of property, plant and equipment:

- Land under roads is valued using a market approach at existing use, based on an englobo valuation approach or proxy such as open space land. These valuation approaches are employed as land under roads generally has no feasible alternative use, is undeveloped and publicly accessible.
- Land under water is valued using a market approach with reference to adjacent land values, having regard to zoning restrictions, access, location, size, topography and other characteristics or with reference to land that has a low economic value adjusted for differences in location, restriction and uses.
- Other land, including Crown leasehold land, is valued using a market approach, based on a valuation per hectare per each land category type.
- Non-specialised buildings, which include commercial and general-purpose buildings for which there is a secondary market, are valued using either approach.
- Certain heritage assets, including artworks, book collections, philately and coin collections are valued using a market or cost approach.
- The fair value of cash generating assets, including water and energy distribution networks, is estimated using an income approach.

For assets valued using the income approach or market approach, any accumulated depreciation is eliminated against the gross carrying amount of the assets to which they relate, and the net asset carrying amount is increased or decreased by the revaluation increment or decrement.

The cost approach (i.e. current replacement cost) reflects the amount that would be required currently to replace the service capacity of an asset, adjusted for obsolescence. The cost approach is used to fair value the following types of assets:

- Specialised buildings designed for a specific, limited purpose with no feasible alternative use. This includes hospitals, schools, court houses, emergency services buildings, buildings to house specialised plant and infrastructure, and some heritage properties.
- Heritage assets, including library and museum collections that are of a specialised nature with no feasible alternative use.

Where the State re-values non-current assets using the cost approach, the gross amount and accumulated depreciation are separately restated.

Revaluation increments increase the revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement for that class of asset previously recognised as a loss in the operating result, the increment is recognised as a gain. Revaluation decrements are charged to the revaluation surplus to the extent that a credit exists in the revaluation surplus in respect of the same class of asset. Any remaining decrements are recognised as a loss. Where an asset that has previously been revalued is disposed of, the remaining balance in the revaluation surplus is transferred to accumulated funds.

Non-specialised assets with short useful lives are measured at depreciated historical cost as an estimate for fair value.

The section 'Valuation techniques, inputs and processes' in this note explains in detail the valuation policy, techniques and processes for the three material asset classes namely Land & Buildings, Plant & Equipment, and Infrastructure Systems.

Impairment of Property, Plant and Equipment

As a not-for-profit entity, impairment under AASB 136 arises for the State only in rare circumstances.

The State assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired, in accordance with AASB 136. If such an indication exists, or when annual impairment testing for an asset is required, the State estimates the recoverable amount of the asset. An impairment loss is recognised where the carrying amount of property, plant and equipment exceeds the 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.

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.

Impairment losses are recognised in other economic flows – included in operating result or in other economic flows – other comprehensive income to the extent that an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

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. A reversal of an impairment loss is recognised in other economic flows – included in operating result unless the asset is carried at revalued amount. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase in accordance with AASB 116.

Assets Acquired by Leases

AASB 16 requires a lessee to recognise a right-of-use asset for most leases. The State has elected to present right-of-use assets separately in the Consolidated Statement of Financial Position.

Further information on leases is contained in Note 16: Leases.

Depreciation of Property, Plant and Equipment

Property, plant and equipment is depreciated (net of its residual value) over its useful life, in accordance with AASB 116. Depreciation is generally allocated on a straight-line basis.

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.

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

The average useful lives for major assets (for both property, plant and equipment held and used by the State and where the State is a lessor under operating leases) are as follows[(a)]:

Buildings	
Public Housing	10-50 years
Schools and Colleges	12-200 years (2022-23: 25-200 years)
Hospitals and Health Buildings	30-70 years
Plant and Equipment	
Computer Hardware	2-12 years
Rail Rolling Stock	30-35 years (2022-23: 25-43 years)
Infrastructure	
Electricity System Assets	10-55 years
Water System Assets	3-200 years
Rail Systems	8-100 years
Roads Pavements	7-50 years
Roads Earthworks	10-100 years (2022-23: 10-254 years)
Roads Earthworks (other) – not depreciated	Indefinite life
Bridges and Tunnels	100 years

(a) The average useful life of assets can vary depending on the various asset classes, types and components of assets within a category. For example, structural components generally have a longer useful life than electrical and mechanical components.

General Government Sector

Total Property, Plant and Equipment

Fair Value	Land and Buildings[a]	Plant and Equipment[b]	Infrastructure Systems[c]	**Total**
	$m	$m	$m	**$m**
At 1 July 2022				
Gross Carrying Amount	157,171	20,006	216,346	**393,523**
Accumulated Depreciation and Impairment	(41,271)	(6,476)	(44,356)	**(92,102)**
Net Carrying Amount	**115,900**	**13,530**	**171,990**	**301,420**
Year Ended 30 June 2023				
Net Carrying Amount at Start of Year	**115,900**	**13,530**	**171,990**	**301,420**
Additions	5,787	1,815	14,526	**22,128**
Assets Reclassified To Held for Sale	(171)	...	...	**(171)**
Disposals	(356)	(57)	(380)	**(793)**
Net Revaluations Recognised In Reserves[d]	10,026	400	22,652	**33,078**
Depreciation Expense	(2,493)	(1,011)	(2,870)	**(6,374)**
Other Movements	955	484	(1,010)	**429**
Net Carrying Amount at End of Year	**129,648**	**15,161**	**204,909**	**349,717**
At 1 July 2023				
Gross Carrying Amount	186,620	22,078	260,321	**469,019**
Accumulated Depreciation and Impairment	(56,973)	(6,917)	(55,413)	**(119,302)**
Net Carrying Amount	**129,648**	**15,161**	**204,909**	**349,717**
Year Ended 30 June 2024				
Net Carrying Amount at Start of Year	**129,648**	**15,161**	**204,909**	**349,717**
Additions	5,151	1,479	14,547	**21,177**
Assets Reclassified To Held for Sale	(135)	...	...	**(135)**
Disposals	(237)	(57)	(838)	**(1,132)**
Net Revaluations Recognised In Reserves[e]	5,472	337	9,787	**15,596**
Depreciation Expense	(2,818)	(1,109)	(3,294)	**(7,220)**
Other Movements[f]	2,297	(149)	(1,282)	**867**
Net Carrying Amount at End of Year	**139,379**	**15,662**	**223,829**	**378,870**
At 30 June 2024				
Gross Carrying Amount	201,733	23,237	284,381	**509,351**
Accumulated Depreciation and Impairment	(62,354)	(7,575)	(60,552)	**(130,481)**
Net Carrying Amount	**139,379**	**15,662**	**223,829**	**378,870**

(a) Land and Buildings includes assets under construction of $3,844 million at 30 June 2024 (30 June 2023: $3,466 million).
(b) Plant and Equipment includes assets under construction of $1,222 million at 30 June 2024 (30 June 2023: $1,160 million).
(c) Infrastructure Systems includes assets under construction of $48,071 million at 30 June 2024 (30 June 2023: $42,300 million).
(d) Includes net revaluations of $33,183 million and net impairment losses of $(105) million recognised in reserves.
(e) Includes net revaluations of $15,825 million offset by net impairment losses of $(228) million recognised in reserves.
(f) Largely attributable to reclassification between different types of PP&E and equity transfers between GGS and PNFC/PFC agencies.

Property, Plant and Equipment Held and Used by the GGS

Fair Value	Land and Buildings $m	Plant and Equipment $m	Infrastructure Systems $m	**Total** $m
At 1 July 2022				
Gross Carrying Amount	148,028	20,002	215,771	**383,801**
Accumulated Depreciation and Impairment	(40,020)	(6,475)	(44,339)	**(90,835)**
Net Carrying Amount	**108,009**	**13,526**	**171,432**	**292,967**
Year Ended 30 June 2023				
Net Carrying Amount at Start of Year	**108,009**	**13,526**	**171,432**	**292,967**
Additions	5,765	1,815	14,502	**22,081**
Assets Reclassified To Held for Sale	(171)	0	0	**(171)**
Disposals	(347)	(57)	(380)	**(784)**
Net Revaluations Recognised In Reserves	9,526	400	22,648	**32,574**
Depreciation Expense	(2,358)	(1,010)	(2,868)	**(6,236)**
Other Movements	265	466	(931)	**(201)**
Net Carrying Amount at End of Year	**120,688**	**15,140**	**204,402**	**340,230**
At 1 July 2023				
Gross Carrying Amount	176,090	22,055	259,794	**457,939**
Accumulated Depreciation and Impairment	(55,402)	(6,915)	(55,392)	**(117,710)**
Net Carrying Amount	**120,688**	**15,140**	**204,402**	**340,230**
Year Ended 30 June 2024				
Net Carrying Amount at Start of Year	**120,688**	**15,140**	**204,402**	**340,230**
Additions	5,098	1,479	14,547	**21,124**
Assets Reclassified To Held for Sale	(136)	0	0	**(136)**
Disposals	(230)	(57)	(838)	**(1,126)**
Net Revaluations Recognised In Reserves	4,938	337	9,761	**15,035**
Depreciation Expense	(2,662)	(1,106)	(3,289)	**(7,058)**
Other Movements	338	(149)	(1,279)	**(1,090)**
Net Carrying Amount at End of Year	**128,033**	**15,643**	**223,304**	**366,980**
At 30 June 2024				
Gross Carrying Amount	188,609	23,214	283,829	**495,653**
Accumulated Depreciation and Impairment	(60,577)	(7,571)	(60,525)	**(128,673)**
Net Carrying Amount	**128,033**	**15,643**	**223,304**	**366,980**

Property, Plant and Equipment Where the GGS is the Lessor Under Operating Leases

Fair Value	Land and Buildings $m	Plant and Equipment $m	Infrastructure Systems $m	**Total** $m
At 1 July 2022				
Gross Carrying Amount	9,143	4	575	**9,721**
Accumulated Depreciation and Impairment	(1,251)	(0)	(16)	**(1,268)**
Net Carrying Amount	**7,892**	**3**	**558**	**8,453**
Year Ended 30 June 2023				
Net Carrying Amount at Start of Year	**7,892**	**3**	**558**	**8,453**
Additions	23	...	25	**47**
Assets Reclassified To Held for Sale	...	...	...	**...**
Disposals	(9)	...	...	**(9)**
Net Revaluations Recognised In Reserves	500	...	4	**504**
Depreciation Expense	(135)	(1)	(2)	**(138)**
Other Movements	690	19	(79)	**630**
Net Carrying Amount at End of Year	**8,960**	**21**	**507**	**9,487**
At 1 July 2023				
Gross Carrying Amount	10,530	22	527	**11,080**
Accumulated Depreciation and Impairment	(1,570)	(2)	(21)	**(1,593)**
Net Carrying Amount	**8,960**	**21**	**507**	**9,487**
Year Ended 30 June 2024				
Net Carrying Amount at Start of Year	**8,960**	**21**	**507**	**9,487**
Additions	53	...	...	**53**
Assets Reclassified To Held for Sale	2	...	...	**2**
Disposals	(7)	...	...	**(7)**
Net Revaluations Recognised In Reserves	535	...	26	**561**
Depreciation Expense	(155)	(2)	(5)	**(163)**
Other Movements	1,959	0	(3)	**1,956**
Net Carrying Amount at End of Year	**11,346**	**18**	**525**	**11,890**
At 30 June 2024				
Gross Carrying Amount	13,124	22	552	**13,698**
Accumulated Depreciation and Impairment	(1,778)	(4)	(27)	**(1,808)**
Net Carrying Amount	**11,346**	**18**	**525**	**11,890**

Total State Sector

Total Property, Plant and Equipment

Fair Value	Land and Buildings[a]	Plant and Equipment[b]	Infrastructure Systems[c][d]	**Total**
	$m	$m	$m	$m
At 1 July 2022				
Gross Carrying Amount	240,399	25,685	267,669	**533,753**
Accumulated Depreciation and Impairment	(42,889)	(8,151)	(46,748)	**(97,789)**
Net Carrying Amount	**197,510**	**17,534**	**220,921**	**435,964**
Year Ended 30 June 2023				
Net Carrying Amount at Start of Year	**197,510**	**17,534**	**220,921**	**435,964**
Additions	7,270	2,220	18,356	**27,846**
Assets Reclassified To Held for Sale	(177)	...	...	**(177)**
Disposals	(586)	(61)	(413)	**(1,060)**
Net Revaluations Recognised In Reserves[e]	12,139	274	22,388	**34,801**
Depreciation Expense	(3,439)	(1,264)	(4,161)	**(8,863)**
Other Movements	869	725	(1,437)	**157**
Net Carrying Amount at End of Year	**213,586**	**19,427**	**255,653**	**488,666**
At 1 July 2023				
Gross Carrying Amount	272,434	28,227	313,682	**614,343**
Accumulated Depreciation and Impairment	(58,848)	(8,800)	(58,030)	**(125,677)**
Net Carrying Amount	**213,586**	**19,427**	**255,653**	**488,666**
Year Ended 30 June 2024				
Net Carrying Amount at Start of Year	**213,586**	**19,427**	**255,653**	**488,666**
Additions	6,636	2,126	18,821	**27,583**
Assets Reclassified To Held for Sale	(204)	0	0	**(204)**
Disposals	(327)	(69)	(857)	**(1,253)**
Net Revaluations Recognised In Reserves[f]	19,161	1,827	28,769	**49,757**
Depreciation Expense	(3,853)	(1,426)	(4,996)	**(10,275)**
Other Movements[g]	866	305	(1,629)	**(458)**
Net Carrying Amount at End of Year	**235,864**	**22,191**	**295,760**	**553,815**
At 30 June 2024				
Gross Carrying Amount	307,568	35,406	403,222	**746,196**
Accumulated Depreciation and Impairment	(71,704)	(13,215)	(107,462)	**(192,381)**
Net Carrying Amount	**235,864**	**22,191**	**295,760**	**553,815**

(a) Land and Buildings includes assets under construction of $4,767 million at 30 June 2024 (30 June 2023: $4,726 million).
(b) Plant and Equipment includes assets under construction of $4,131 million at 30 June 2024 (30 June 2023: $2,943 million).
(c) Infrastructure Systems includes assets under construction of $56,420 million at 30 June 2024 (30 June 2023: $49,218 million).
(d) Includes $541 million for the Blackwattle Bay precinct redevelopment (incorporating the new Sydney Fish Market) delivered by Infrastructure NSW (30 June 2023: $340 million was reported as inventories – refer to Note 11: Inventories).
(e) Includes net revaluations of $34,906 million and net impairment losses of $(105) million recognised in reserves.
(f) Includes net revaluations of $49,988 million and net impairment losses of $(232) million recognised in reserves.
(g) Largely attributable to amounts written off during the year.

Property, Plant and Equipment Held and Used by the TSS

Fair Value	Land and Buildings $m	Plant and Equipment $m	Infrastructure Systems $m	**Total** $m
At 1 July 2022				
Gross Carrying Amount	171,194	25,681	267,094	**463,968**
Accumulated Depreciation and Impairment	(42,047)	(8,150)	(46,732)	**(96,930)**
Net Carrying Amount	**129,147**	**17,530**	**220,362**	**367,038**
Year Ended 30 June 2023				
Net Carrying Amount at Start of Year	**129,147**	**17,530**	**220,362**	**367,038**
Additions	6,915	2,220	18,331	**27,465**
Assets Reclassified To Held for Sale	(177)	0	0	**(177)**
Disposals	(386)	(61)	(413)	**(860)**
Net Revaluations Recognised In Reserves	9,601	274	22,383	**32,259**
Depreciation Expense	(2,727)	(1,264)	(4,158)	**(8,150)**
Other Movements	384	725	(1,343)	**(236)**
Net Carrying Amount at End of Year	**142,756**	**19,424**	**255,161**	**417,341**
At 1 July 2023				
Gross Carrying Amount	200,512	28,223	313,170	**541,905**
Accumulated Depreciation and Impairment	(57,757)	(8,799)	(58,009)	**(124,565)**
Net Carrying Amount	**142,756**	**19,424**	**255,161**	**417,341**
Year Ended 30 June 2024				
Net Carrying Amount at Start of Year	**142,756**	**19,424**	**255,161**	**417,341**
Additions	6,540	2,126	18,821	**27,486**
Assets Reclassified To Held for Sale	(203)	0	0	**(203)**
Disposals	(287)	(69)	(857)	**(1,212)**
Net Revaluations Recognised In Reserves	17,032	1,827	28,742	**47,602**
Depreciation Expense	(3,151)	(1,425)	(4,991)	**(9,568)**
Other Movements	(640)	305	(1,641)	**(1,976)**
Net Carrying Amount at End of Year	**162,047**	**22,188**	**295,235**	**479,469**
At 30 June 2024				
Gross Carrying Amount	232,556	35,402	402,670	**670,628**
Accumulated Depreciation and Impairment	(70,510)	(13,214)	(107,435)	**(191,159)**
Net Carrying Amount	**162,047**	**22,188**	**295,235**	**479,469**

Property, Plant and Equipment Where the TSS is the Lessor Under Operating Leases

Fair Value	Land and Buildings	Plant and Equipment	Infrastructure Systems	Total
	$m	$m	$m	$m
At 1 July 2022				
Gross Carrying Amount	69,206	4	575	**69,785**
Accumulated Depreciation and Impairment	(842)	(1)	(16)	**(859)**
Net Carrying Amount	**68,364**	**4**	**559**	**68,926**
Year Ended 30 June 2023				
Net Carrying Amount at Start of Year	**68,364**	**4**	**559**	**68,926**
Additions	356	...	25	**380**
Assets Reclassified To Held for Sale	...	...	...	**...**
Disposals	(201)	...	...	**(201)**
Net Revaluations Recognised In Reserves	2,538	...	4	**2,542**
Depreciation Expense	(711)	(0)	(2)	**(714)**
Other Movements	485	(0)	(94)	**391**
Net Carrying Amount at End of Year	**70,830**	**3**	**492**	**71,325**
At 1 July 2023				
Gross Carrying Amount	71,921	4	513	**72,438**
Accumulated Depreciation and Impairment	(1,091)	(1)	(21)	**(1,113)**
Net Carrying Amount	**70,830**	**3**	**492**	**71,325**
Year Ended 30 June 2024				
Net Carrying Amount at Start of Year	**70,830**	**3**	**492**	**71,325**
Additions	97	...	...	**97**
Assets Reclassified To Held for Sale	(1)	...	...	**(1)**
Disposals	(41)	...	...	**(41)**
Net Revaluations Recognised In Reserves	2,129	...	26	**2,155**
Depreciation Expense	(702)	(0)	(5)	**(708)**
Other Movements	1,506	0	12	**1,518**
Net Carrying Amount at End of Year	**73,818**	**3**	**525**	**74,346**
At 30 June 2024				
Gross Carrying Amount	75,012	4	552	**75,568**
Accumulated Depreciation and Impairment	(1,194)	(1)	(27)	**(1,222)**
Net Carrying Amount	**73,818**	**3**	**525**	**74,346**

Fair Value Measurement of Non-Financial Assets

The table below sets out the State's non-financial assets measured at fair value according to the fair value hierarchy at reporting date.

Fair Value Hierarchy of Non-Financial Assets

General Government Sector

30 June 2024	Level 1	Level 2	Level 3	Historical Cost	**Total**
	$m	$m	$m	$m	**$m**
Fair Value Hierarchy					
Property, Plant and Equipment					
Land and Buildings	...	21,014	118,365	...	**139,379**
Plant and Equipment[(a)]	...	1,909	8,661	5,091	**15,662**
Infrastructure Systems	...	522	223,307	...	**223,829**
Assets Held for Sale (Note 13)	...	189	1	...	**190**
Intangibles (Note 17)	...	...	954	4,693	**5,647**
Forestry Stock and Other Biological Assets (Note 12)	...	...	17	...	**17**
	...	**23,635**	**351,305**	**9,784**	**384,724**

(a) Assets measured using depreciated historical cost as a surrogate for fair value do not require fair value hierarchy disclosures under AASB 13.

30 June 2023	Level 1	Level 2	Level 3	Historical Cost	**Total**
	$m	$m	$m	$m	**$m**
Fair Value Hierarchy					
Property, Plant and Equipment					
Land and Buildings	...	20,183	109,465	...	**129,648**
Plant and Equipment[(a)]	...	3,543	6,679	4,939	**15,161**
Infrastructure Systems	...	321	204,587	...	**204,909**
Assets Held for Sale (Note 13)	...	136	16	...	**151**
Intangibles (Note 17)	...	...	931	4,246	**5,176**
Forestry Stock and Other Biological Assets (Note 12)	...	...	16	...	**16**
	...	**24,183**	**321,693**	**9,185**	**355,060**

(a) Assets measured using depreciated historical cost as a surrogate for fair value do not require fair value hierarchy disclosures under AASB 13.

Total State Sector

30 June 2024	Level 1	Level 2	Level 3	Historical Cost	**Total**
	$m	$m	$m	$m	**$m**
Fair Value Hierarchy					
Property, Plant and Equipment					
Land and Buildings	...	23,380	212,484	...	**235,864**
Plant and Equipment[(a)]	...	1,947	14,583	5,661	**22,191**
Infrastructure Systems	...	522	295,238	...	**295,760**
Assets Held for Sale (Note 13)	...	200	77	...	**277**
Intangibles (Note 17)	...	...	986	5,853	**6,839**
Investment Properties (Note 14)	...	609	1,101	...	**1,710**
Forestry Stock and Other Biological Assets (Note 12)	...	...	798	...	**798**
	...	**26,657**	**525,267**	**11,514**	**563,438**

(a) Assets measured using depreciated historical cost as a surrogate for fair value do not require fair value hierarchy disclosures under AASB 13.

30 June 2023	Level 1	Level 2	Level 3	Historical Cost	**Total**
	$m	$m	$m	$m	**$m**
Fair Value Hierarchy					
Property, Plant and Equipment					
Land and Buildings	...	22,262	191,324	...	**213,586**
Plant and Equipment[(a)]	...	3,608	10,330	5,489	**19,427**
Infrastructure Systems	...	321	255,331	...	**255,653**
Assets Held for Sale (Note 13)	...	136	25	...	**161**
Intangibles (Note 17)	...	...	964	5,289	**6,253**
Investment Properties (Note 14)	...	611	1,142	...	**1,753**
Forestry Stock and Other Biological Assets (Note 12)	...	...	642	...	**642**
	...	**26,938**	**459,758**	**10,778**	**497,474**

(a) Assets measured using depreciated historical cost as a surrogate for fair value do not require fair value hierarchy disclosures under AASB 13.

Reconciliation of Recurring Level 3 Fair Value Measurements for Non-Financial Assets

General Government Sector

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Assets Held for Sale	Intangible Assets	Forestry Stock and Other Biological Assets	**Total Recurring Level 3 Fair Value**
	$m	$m	$m	$m	$m	$m	**$m**
Year Ended 30 June 2024							
Fair Value at Start of Year	**109,465**	**6,679**	**204,587**	**16**	**931**	**16**	**321,693**
Additions	4,348	94	14,182	13	...	...	**18,637**
Revaluations Recognised in Other Comprehensive Income	5,232	170	9,795	...	0	0	**15,197**
Transfers into Level 3	30	1,858	0	...	...	...	**1,888**
Transfers out of Level 3	(108)	(9)	(12)	...	...	...	**(129)**
Disposals	(231)	(5)	(839)	(27)	...	...	**(1,101)**
Depreciation and Amortisation	(2,726)	(239)	(3,291)	...	(6)	...	**(6,261)**
Other Movements	2,354	113	(1,116)	(0)	29	...	**1,381**
Fair Value at End of Year	**118,365**	**8,661**	**223,307**	**1**	**954**	**17**	**351,305**

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Assets Held for Sale	Intangible Assets	Forestry Stock and Other Biological Assets	**Total Recurring Level 3 Fair Value**
	$m	$m	$m	$m	$m	$m	**$m**
Year Ended 30 June 2023							
Fair Value at Start of Year	**95,978**	**5,057**	**171,873**	**18**	**896**	**23**	**273,844**
Additions	4,825	278	14,130	...	2	...	**19,235**
Revaluations Recognised in Other Comprehensive Income	9,117	391	22,189	...	34	(7)	**31,724**
Transfers into Level 3	1,147	1	1	...	...	...	**1,149**
Transfers out of Level 3	(1,122)	(0)	(51)	...	...	...	**(1,173)**
Disposals	(297)	(1)	(157)	(3)	...	...	**(458)**
Depreciation and Amortisation	(2,421)	(169)	(2,861)	...	(5)	...	**(5,456)**
Other Movements	2,239	1,122	(537)	0	3	...	**2,828**
Fair Value at End of Year	**109,465**	**6,679**	**204,587**	**16**	**931**	**16**	**321,693**

Total State Sector

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Assets Held for Sale	Intangible Assets	Investment Properties	Forestry Stock and Other Biological Assets	**Total Recurring Level 3 Fair Value**
	$m	$m	$m	$m	$m	$m	$m	**$m**
Year Ended 30 June 2024								
Fair Value at Start of Year	**191,324**	**10,330**	**255,331**	**25**	**964**	**1,142**	**642**	**459,758**
Additions	5,806	594	18,458	13	0	3	19	**24,892**
Revaluations Recognised in Other Comprehensive Income	18,786	1,660	28,778	...	0	(43)	137	**49,317**
Transfers into Level 3	44	1,888	16	...	...	...	...	**1,947**
Transfers out of Level 3	(235)	(9)	(12)	...	...	...	...	**(257)**
Disposals	(321)	(9)	(865)	(29)	...	...	...	**(1,224)**
Depreciation and Amortisation	(3,746)	(459)	(4,985)	...	(6)	...	...	**(9,196)**
Other Movements	826	589	(1,482)	67	28	0	0	**28**
Fair Value at End of Year	**212,484**	**14,583**	**295,238**	**77**	**986**	**1,101**	**798**	**525,267**

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Assets Held for Sale	Intangible Assets	Investment Properties	Forestry Stock and Other Biological Assets	**Total Recurring Level 3 Fair Value**
	$m	$m	$m	$m	$m	$m	$m	**$m**
Year Ended 30 June 2023								
Fair Value at Start of Year	**175,740**	**8,379**	**220,803**	**44**	**924**	**1,130**	**646**	**407,667**
Additions	6,304	561	17,974	...	4	119	...	**24,962**
Revaluations Recognised in Other Comprehensive Income	11,106	265	21,707	...	34	(157)	(4)	**32,951**
Transfers into Level 3	1,147	1	1	...	...	...	...	**1,149**
Transfers out of Level 3	(1,206)	(14)	(51)	...	...	...	...	**(1,271)**
Disposals	(524)	(2)	(190)	(25)	...	...	...	**(741)**
Depreciation and Amortisation	(3,352)	(335)	(4,151)	...	(6)	...	...	**(7,845)**
Other Movements	2,110	1,474	(761)	6	6	50	0	**2,885**
Fair Value at End of Year	**191,324**	**10,330**	**255,331**	**25**	**964**	**1,142**	**642**	**459,758**

Valuation techniques, inputs and processes

Land and Buildings

Most of the State's land and buildings comprise of specialised assets such as public housing, schools, TAFE colleges, hospitals, railway stations and rail associated buildings, justice buildings (including court houses, prisons and youth justice centres), Accor Stadium, Sydney Opera House, the Rocks and Darling Harbour Precincts, police stations, Crown land and land under roads.

Non-specialised land and buildings are generally classified as Level 2. Specialised land and buildings are generally classified as Level 3. Market evidence is used where relevant and then adjusted to take account of factors such as the location, type and constraints around the use of the asset. The valuation approaches for the main types of assets within Land and Buildings are set out below.

Public Housing

Public housing (mainly classified as Level 3) is determined by applying a mass appraisal methodology with an annual rolling benchmark valuation approach whereby a third of benchmark properties are valued by accredited property valuers with reference to market sales comparisons to calculate a market movement index. The market movement index is applied to the remaining two-thirds of the benchmark properties. All benchmark properties are grouped within thirteen geographical reporting regions. The median value increase in each geographical group is applied to the respective group of properties within the property portfolio of the group. Adjustments to each property are made for any significant different characteristic from benchmark properties. The rolling benchmark valuation process is performed annually as at 31 December. An uplift market movement factor has been provided from a registered valuer for the six months ended 30 June.

Schools and Education Facilities

School and education land and buildings are mainly classified as Level 3. The valuers use current market sales evidence to determine the market value of land without restrictions and then apply a discount rate to these values, to adjust for the restricted use of the land. The valuations use the weighted average market value per square metre of land. School and TAFE buildings are valued using the current replacement cost method. Due to the size of the portfolio a mass appraisal technique is used. Replacement cost rates for the asset components of a building are determined based on the cost of recently built buildings. The valuation takes account of the weighted average replacement cost per square metre for the building shell, fit-outs, external services, landscaping and demountables. Adjustments are then made for location and accessibility requirements. Useful lives and depreciated rates are based on internal analysis.

Hospitals

Land is valued using a market approach, comparing similar assets and observable inputs. Where the land is restricted, a discount rate is applied to adjust for the restricted land usage. The valuation utilises a market sales comparison approach taking account of recent sales of comparable properties. Hospital buildings are mainly classified as Level 3 and are valued using the current replacement cost method. The current replacement cost per square metre is assessed by reference to external publications with allowances made for regional locations. Remaining economic life is assessed based on physical depreciation and obsolescence.

Land under Roads

Land under roads (mainly classified as Level 3) is valued using the Urban Average Rateable Value (ARV) per hectare within each Local Government Area (LGA) adjusted by an 'open space' ratio. The valuation takes account of LGA rateable land values and the land area under roads.

Crown Land

Crown land classified at level 3 are valued using mass valuation techniques using the market approach. Within a Local Government Area (LGA), each parcel is allocated to a single sub-classification. Discounts are applied to adjust for the restricted land usage, especially to land within waterways and those under undeveloped Crown roads to reflect value in use.

Crown land classified as Level 2 is valued using the market value approach by utilising market comparable land. Valuations take account of the sale price of comparable land and are adjusted for the size of the land and the long-term land appreciated rate.

Refer to Note 31: Contingent Liabilities and Contingent Assets for further information on reserved Crown land claims under the *Aboriginal Land Rights Act 1983 (NSW).*

Land under Water

Land under water (mainly classified as Level 3) is valued using sales price of low economic land values in remote areas of New South Wales. For that part of the 3 nautical miles considered to have higher use, valuation is based on the sales price of rural/environmental and commercial land. Discounts are applied to reflect value in use and restrictions on land.

	Sensitivity of the Fair Value Measurement
Public Housing	Higher/(lower) market sales values reflect higher/(lower) valuations.
Hospital, Schools and Education Facilities	The estimated fair value of land would increase/(decrease) if the value per square metre was higher/ (lower). The estimated fair value of buildings would increase/(decrease) if the replacement cost per square metre for the asset components was higher/(lower).
Land under Roads	The estimated fair value would increase/(decrease) if the weighted current year Urban Average Rateable Value increases/(decreases).
Crown Land and Land under Water	The estimated fair value would increase/(decrease) if the comparable land values increase/(decrease).

Plant and Equipment

Plant and equipment comprise both specialised and non-specialised assets. Non-specialised assets are generally classified as Level 2. The main specialised assets are rail rolling stock, public buses and ferries, and museum and library collections. The specialised assets are generally classified as Level 3. Assets measured using depreciated historical cost as an estimate for fair value do not require fair value hierarchy disclosures under AASB 13.

Rail Rolling Stock

Rolling stock is valued using a current replacement cost method. Replacement cost rates are based on domestic and international vehicles adjusted by an optimisation factor to reflect the technical and functional obsolescence of the fleet sub-types relative to the modern equivalent.

Public Buses

Public buses are valued using the current replacement cost method which is the minimum that it would cost, in the normal course of business, to replace an existing asset with a technologically modern equivalent new asset with the same economic benefits, allowing for any differences in the quantity and quality of input and in operating costs. The current replacement cost estimates are based on recent cost prices for the buses and current pricing for Rural and Regional Urban and School bus types, as quoted by numerous chassis and bus providers.

Ferries

Ferries are valued using a current replacement cost method. Replacement cost rates are based on the quoted cost for replacing the vessels.

Collection Assets

Collection assets are classified as either Level 2 or Level 3 based on the level of inputs used in the valuation. Valuation methods vary depending on the type of collection asset. All assets regarded as highly significant are individually valued, with other assets valued by category of item using appropriately sized samples. In most instances, the sampling techniques are performed by professional statisticians. Market values are based on market evidence with reference to recent sales of items that are similar. Where there is a lack of market-based evidence, recollection costs are used.

	Sensitivity of the Fair Value Measurement
Rail Rolling Stock	The estimated fair value would increase/(decrease) if the replacement cost rates were higher/(lower).
Public Buses	The estimated fair value would increase/(decrease) if the replacement cost rates were higher/(lower).
Ferries	The estimated fair value would increase/(decrease) if the replacement cost rates were higher/(lower).
Collection Assets	The estimated fair value would increase/(decrease) if the market prices or recollection cost rates increased/(decreased).

Infrastructure Systems

Infrastructure systems comprise the State's electricity systems, dams and water system assets, road infrastructure and railway infrastructure. Most infrastructure assets are classified as Level 3 because they comprise specialised assets for the delivery of utility and transport services.

Dams, Water System and Electricity System Assets

The majority of the State's dams, water system and electricity system networks are valued using an income valuation method. The discounted cash flow technique is used to perform the income approach valuation of the assets. The Regulatory Asset Base Value, determined by the regulator, is used in conjunction with forecast cash flows and a discount rate.

Service concession assets included in dam and water system units of account are valued using the current replacement cost approach.

Road Infrastructure

Road infrastructure is valued using the current replacement cost method. Due to the size of the portfolio a mass appraisal technique is used. Replacement cost rates for each significant asset component are determined based on the unit prices quoted in the most recent construction tender documents or road cost index. For service concession toll roads, fair value is determined by applying optimised unit rates to asset inventory listings sourced from private operators based on the modern equivalent capitalisation type. Asset inventory listings are supplemented by as-built drawings.

Rail Infrastructure

GGS infrastructure is valued using the current replacement cost method. Replacement cost rates for each significant asset component are determined based on the replacement cost of the various asset components.

Rail infrastructure and track work (including network land, buildings, and plant and equipment) controlled by TAHE is valued using the cost approach (except for land which is market approach) given its transition to a not-for-profit entity for accounting purposes. In the prior year, TAHE valued most of its assets using the income approach given its status as a for-profit entity for accounting purposes.

	Sensitivity of the Fair Value Measurement
Electricity System Assets	The higher the future net cash inflows, the higher the fair value. The higher the discount rate, the lower the fair value.
Dams and Water System Assets	The higher the future net cash inflows, the higher the fair value. The higher the discount rate, the lower the fair value.
Road Infrastructure	The estimated fair value would increase/(decrease) if current replacement cost, road index cost or current unit replacement cost for the component increases/(decreases).
Rail Infrastructure	The estimated fair value would increase/(decrease) if the replacement cost rates were higher/(lower).

Non-Current Assets Held for Sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell. Most assets are classified at Level 2 as their value has been determined on market observable inputs.

Investment Properties

Investment properties are recognised at fair value in the Consolidated Statement of Financial Position. These assets are primarily recognised at Level 2 in the fair value hierarchy. Investment properties are comprehensively revalued every three years with interim revaluations performed in the year between comprehensive revaluations. Comprehensive valuations are performed by external valuers and are arrived at by reference to market evidence of transactions prices for similar properties and by the capitalisation of the income approach.

Forestry Stock and Other Biological Assets

Forestry softwood stock valuations are independently valued each financial year. These assets are valued using a market-based valuation approach, which involves a combination of the sales comparison method and income approach under a discounted cash flow framework. The estimated fair value would increase/(decrease) if the discount rate was (lower)/higher; expected future sales and changes in volume were higher/(lower); and expected future costs were (lower)/higher. Forestry stock and other biological assets are primarily recognised at Level 3 in the fair value hierarchy.

Intangibles

Intangibles measured at fair value comprise primarily of information communication and technology and other assets transferred to the private sector operator under a 35-year concession to facilitate the provision of land titling and registry services. These service concession assets are valued using the current replacement cost method and are primarily recognised at Level 3 in the fair value hierarchy.

The valuation technique employed is based upon identifying the current cost in processing each record in a group of databases. Significant unobservable inputs used in valuing the database include employee expenses to replicate records, corporate overheads and major project spend to enhance features of the databases. The estimated fair value would increase/(decrease) if the cost rates were higher/(lower).

Service Concession Assets

The following tables present service concession assets included in the carrying amounts of property, plant and equipment and intangibles (Note 17: Intangibles).

General Government Sector

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Intangibles (Note 17)	Total
	$m	$m	$m	$m	$m
At 30 June 2024					
Gross Carrying Amount	5,946	3,050	102,494	998	**112,488**
Accumulated Depreciation and Amortisation	(749)	(435)	(24,809)	(44)	**(26,036)**
Net Carrying Amount	**5,197**	**2,615**	**77,685**	**954**	**86,451**

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Intangibles (Note 17)	Total
	$m	$m	$m	$m	$m
At 30 June 2023					
Gross Carrying Amount	5,826	2,963	92,640	967	**102,396**
Accumulated Depreciation and Amortisation	(746)	(315)	(22,475)	(36)	**(23,572)**
Net Carrying Amount	**5,081**	**2,648**	**70,165**	**931**	**78,824**

During the current financial year, there were $5,514 million of existing assets in the General Government Sector reclassified as service concession assets, when assets under construction were completed (2022-23: Nil).

Total State Sector

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Intangibles (Note 17)	Total
	$m	$m	$m	$m	$m
At 30 June 2024					
Gross Carrying Amount	8,125	3,502	104,300	1,038	**116,964**
Accumulated Depreciation and Amortisation	(1,575)	(774)	(25,020)	(52)	**(27,421)**
Net Carrying Amount	**6,550**	**2,727**	**79,280**	**986**	**89,543**

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Intangibles (Note 17)	Total
	$m	$m	$m	$m	$m
At 30 June 2023					
Gross Carrying Amount	7,895	3,466	94,324	1,003	**106,688**
Accumulated Depreciation and Amortisation	(1,454)	(675)	(22,650)	(39)	**(24,818)**
Net Carrying Amount	**6,441**	**2,791**	**71,674**	**964**	**81,870**

During the current financial year, there were $5,523 million of existing assets in the Total State Sector reclassified as service concession assets, when assets under construction were completed (2022-23: Nil).

Service Concession Arrangements

The following tables list service concession arrangements falling within the scope of AASB 1059 for both the GGS and TSS (unless otherwise stated).

Railway Infrastructure

Arrangement Terms and Conditions	
Description	**Light Rail Services:** The State has a contract with ALTRAC Light Rail Partnership (the operator) relating to the Sydney Light Rail project. **Northwest Rapid Transit:** The State has entered a contract with the Northwest Rapid Transit Group (the operator) relating to the Sydney Metro North West Line, and the Sydney Metro City and Southwest project. **Parklife Metro:** The State has entered into a contract with Parklife Metro (the operator) relating to the Sydney Metro Western Sydney Airport metro project. **Sydney Airport Link:** The State has entered into a contract with the Airport Link Company (the operator) to operate and maintain railway stations on the Sydney City Airport Link train line. (TSS only)
Funding Model	**Light Rail Services:** Financial liability arrangement. **Northwest Rapid Transit:** Financial liability arrangement. **Parklife Metro:** Financial liability arrangement. **Sydney Airport Link:** Hybrid arrangement.
Arrangement Period	**Light Rail Services:** 22 years (2014 - 2036) **Northwest Rapid Transit:** 20 years (2014 - 2034) **Parklife Metro:** 20 years (2022-2042) **Sydney Airport Link:** 30 years (2000 - 2030)
Arrangement Terms	**Light Rail Services:** The operator is responsible for the design, construction, operation and maintenance of the Sydney Light Rail. Upon construction completion and operational commencement, the operator is required to deliver light rail services. The State is required to pay consideration for the delivery phase across the project term (i.e. design and construction), and payments for operation and maintenance. **Northwest Rapid Transit:** The operator is responsible for operation and maintenance of the North West Line which began operations in May 2019. The operator is also responsible for the design and construction of the Sydney Metro City Line for which construction began in December 2019. The Sydney Metro Southwest line will be constructed by the State. The operator will be subsequently responsible for the operation and maintenance of both the Sydney Metro City and the Southwest lines. **Parklife Metro:** The operator is responsible for design and construction of the Western Sydney Airport Line, design and construction began in December 2022. The operator is also responsible for operation and maintenance of the Western Sydney Airport Line, the line is expected to open in April 2027. **Sydney Airport Link:** The State has entered into agreements with the operator to operate and maintain four stations (Green Square, Mascot, Domestic and International) on the Sydney Airport Line until 2030. The State will take over operation of the stations in 2030. The State has granted the operator the right to charge passengers an access fee for two stations, the State pays access fees directly to the operator for the other two stations. The State also has a revenue sharing arrangement with the operator.
Rights and Obligations	**Light Rail Services:** The operator is required to deliver light rail services upon construction completion on which the State is obligated to pay for. The operator is required to hand back the significant residual interest of the assets in the project at the end of the project term. **Northwest Rapid Transit:** The operator is required to deliver metro passenger services which the State is obligated to pay for under the service concession. The operator is required to hand back the significant residual interest of the assets in the project at the end of the project term. **Parklife Metro:** The operator is required to deliver metro passenger services which the State is obligated to pay for under the service concession. The operator is required to hand back the significant residual interest of the assets in the project at the end of the project term. **Sydney Airport Link:** The operator is obliged to build, operate and maintain the four stations until 2030. The State has a right to receive a share of the net revenue generated by ALC once certain thresholds have been met. The State has the right to take over operation of the stations in 2030.
Service Concession Assets (SCA) Carrying Amount	**Light Rail Services[(a)]:** $2,824 million (2022-23: $2,950 million) **Northwest Rapid Transit:** $13,742 million (2022-23: $13,363 million) **Parklife Metro:** $1,504 million (2022-23: $624 million) **Sydney Airport Link:** $171 million (2022-23: $172 million) (TSS only)

(a) Light Rail Services service concession assets include intangible assets of $36 million (2022-23: $39 million) presented in Note 17: Intangibles

Toll Roads – Motorways

Arrangement	Terms and Conditions
Description	The State is a party to Project Deeds with various private motorway companies relating to the design, construction, operation and maintenance of various privately owned motorway toll roads: **M2 Motorway:** Transport for NSW is party to a Project Deed with The Hills Motorway Ltd relating to the M2 Motorway. **M5 Motorway**: A Project Deed is established between Transport for NSW and Interlink Roads Pty Ltd relating to the M5 Motorway. **M7 Motorway:** A Project Deed is in place between WSO Co Pty Ltd and Transport for NSW relating to the M7 Motorway. **M7 Widening and M7-M12 Interchange:** Transport for NSW has entered into a construction phase agreement to the M7 Project Deed for the widening of existing M7and the construction of M7-M12 Interchange. **NorthConnex:** NorthConnex Company and Transport for NSW are parties to the Project Deed for the NorthConnex motorway.
Funding Model	**M2 Motorway:** Grant of a Right to the Operator ("GORTO") arrangement. **M5 Motorway:** GORTO arrangement. **M7 Motorway:** GORTO arrangement. **M7 Widening:** GORTO arrangement. **M7-M12 Interchange:** Hybrid arrangement. **NorthConnex:** Hybrid arrangement.
Arrangement Period	**M2 Motorway:** 51 years (1997 - 2048) **M5 Motorway:** 34 years (1992 - 2026) **M7 Motorway:** 43 years (2005 - 2048) **M7 Widening and M7-M12 Interchange:** 26 years (expected opening 2026 - 2052) **NorthConnex:** 28 years (2020 - 2048)
Arrangement Terms	**M2 Motorway:** The State entered a contract with the original concession holder to design, construct, operate and maintain the M2 Motorway. Under the initial project deed, ownership of the M2 Motorway would revert to the State in 45 years from M2 Motorway operations commencement in May 1997. Additional construction work in 2013 and the integration of the M2 to connect with the NorthConnex Motorway in 2015 has further extended the term of the agreement to 51 years, subject to the provisions of the M2 Motorway Project Deed. The State has granted the current operator the right to levy and retain tolls on the motorway. The State leases land for the term of the agreement. Until the project achieves the required rate of return, rent is payable in cash or by promissory note at the lessee’s discretion. On achievement of the required rate, the rent is payable in cash. **M5 Motorway:** A contract was entered into with the concession holder to design, construct, operate and maintain the M5 Motorway. The initial concession period was for the period 14 August 1992 to 14 August 2022 but has been extended to 2026 with the additional construction of the interchange at Moorebank and the expansion of the M5 corridor. The State has granted the operator the right to levy and retain tolls on the motorway. The M5 South-West Motorway Call Option Deed provides that if, after at least 25 years from the M5 Western Link commencement date of 26 June 1994, the State determines that the expected financial return has been achieved, the State has the right to purchase either the business from the concession holder or the shares in the concession holder. The exercise price under the M5 Call Option Deed will be based on open market valuation of the business or shares. **M7 Motorway:** An agreement was signed with the concession holder in 2003 to construct the Westlink M7 Motorway. The motorway was constructed and opened in 2005. The State has granted the operator the right to levy and retain tolls on the motorway. In consideration for building the NorthConnex motorway (refer below), the concession period on the Westlink M7 Motorway has been extended from 2037 to 2048, after which the motorway will be transferred back to the State. **M7 Widening and M7-M12 Interchange:** An agreement was signed with the concession holder in February 2023 for the widening of the existing M7 and the construction of M7-M12 Interchange. Under the terms of the agreement, the M7 Widening will be fully funded by the concessionaire whilst the state will contribute $312 million in cash towards the construction, construction management and property acquisition costs of the M7-M12 Interchange. The remaining balance will be financed by the concession holder. The Project Deed stipulates that the concession holder will operate the motorways until 30 June 2052, after which they will be transferred back to the state. **NorthConnex:** An agreement was signed with the concession holder in 2015 to finance, design, construct, operate and maintain the NorthConnex Motorway. The State’s contribution is $997 million in cash towards construction with the remaining balance being financed by the concession holder. NorthConnex was opened on October 2020 with the operator allowed to operate the motorway until 30 June 2048, after which the motorway will be transferred back to the State. The State has granted the operator the right to levy and retain tolls on the motorway. In consideration for building the NorthConnex Motorway, the NorthConnex agreement also provides for an extension of the concession terms on the Westlink M7 Motorway, Lane Cove Tunnel and M2 Motorway to 30 June 2048.
Rights and Obligations	The operators must keep all traffic lanes of the Motorways open to the public for the safe, efficient and continuous passage of vehicles. The operator must not levy or impose any charge, toll or fee for or in connection with the use of the motorways other than in accordance with the agreements. Upon the end of the agreement term, the operators must surrender to the State the motorways in a condition which is consistent with the operator's obligation to maintain and repair them in the Project Deed.
SCA Carrying Amount	**Transport for NSW Toll Roads[(a)]:** $35,762 million (2022-23: $30,334 million)

(a) Toll roads managed by Transport for NSW for the State include the M2 Motorway, M5 Motorway, M7 Motorway, M7 Widening, M7-M12 Interchange, NorthConnex, Cross City Tunnel, Eastern Distributor, Lane Cove Tunnel, Sydney Harbour Tunnel, WestConnex 1A and 1B, WestConnex 2, and WestConnex 3A and 3B.

Toll Roads – Tunnels

Arrangement Terms and Conditions	
Description	The State has contracts with various private sector operators relating to the design, construction, operation and maintenance of various toll roads – tunnels: **Cross City Tunnel:** An agreement requiring Transurban (the operator) to operate and maintain the Cross City Tunnel located in Sydney. **Eastern Distributor:** An agreement with Transurban (the operator) to operate and maintain the Eastern Distributor located in Sydney. **Lane Cove Tunnel:** An agreement signed with Transurban (the operator) to operate and maintain the Lane Cove Tunnel located in Sydney. **Sydney Harbour Tunnel:** An agreement signed with Ventia Australia Pty Ltd (the operator) to operate and maintain the Sydney Harbour Tunnel.
Funding Model	**Cross City Tunnel:** GORTO arrangement. **Eastern Distributor:** GORTO arrangement. **Lane Cove Tunnel:** GORTO arrangement. **Sydney Harbour Tunnel:** Financial liability arrangement.
Arrangement Period	**Cross City Tunnel:** 30 years (2005 - 2035) **Eastern Distributor:** 48 years (2000 - 2048) **Lane Cove Tunnel:** 41 years (2007 - 2048) **Sydney Harbour Tunnel:** 15 years (2022 - 2037)
Arrangement Terms	**Cross City Tunnel:** An agreement was signed with the concession holder in 2002 to construct the Cross City Tunnel. The tunnel was completed and opened to traffic on 28 August 2005. Under the terms of the agreement, the current operator will operate the tunnel until 18 December 2035, after which the motorway will be transferred back to the State. The State has granted the operator the right to levy and retain tolls on the tunnel. Reimbursement of certain development costs was received from the operators in the form of an upfront cash payment in August 2005. **Eastern Distributor:** An agreement was signed with the concession holder in 1997 to build, own, operate and transfer the Eastern Distributor. The tunnel was opened to traffic on 23 July 2000. The operator is required to pay concession fees in accordance with the agreement in consideration of the State granting to the operator the right to levy and retain tolls. **Lane Cove Tunnel:** An agreement was signed with the concession holder in 2003 to build and operate the Lane Cove Tunnel. The construction cost was $1.1 billion, with the cost being met by the private sector. The tunnel was opened to traffic in 2007 with the current operator required to operate the tunnel until 30 June 2048, after which the motorway will be transferred back to the State. The State has granted the operator the right to levy and retain tolls on the tunnel. Reimbursement of certain development costs were received from the operator in the form of an upfront cash payment in April 2007. The amount of this payment was $79 million. **Sydney Harbour Tunnel:** The State has entered into an Asset Management Deed with the private operator to operate and maintain the Sydney Harbour Tunnel after the end of the previous service concession arrangement with Sydney Harbour Tunnel Company. The State is the owner of the Sydney Harbour Tunnel and pays the operator a service payment in relation to the services under the Asset Management Deed.
Rights and Obligations	The operators must keep all traffic lanes of the tunnels open to the public for the safe, efficient and continuous passage of vehicles. The operators must not levy or impose any charge, toll or fee for or in connection with the use of the motorways other than in accordance with agreements. Upon the term end, the operators must return to the State the motorways and associated assets in a fully functional condition which complies with contractual arrangements.
Changes to Arrangements during 2022-23	**Sydney Harbour Tunnel:** The previous service concession with the Sydney Harbour Tunnel Company ended on 31 August 2022. The State has entered into a new service concession arrangement with Ventia Australia Pty Ltd for the operation and maintenance of the Sydney Harbour Tunnel starting from 1 September 2022.
SCA Carrying Amount	**Transport for NSW Toll Roads[a]:** $35,762 million (2022-23: $30,334 million)

(a) Toll roads managed by Transport for NSW for the State include the M2 Motorway, M5 Motorway, M7 Motorway, M7 Widening, M7-M12 Interchange, NorthConnex, Cross City Tunnel, Eastern Distributor, Lane Cove Tunnel, Sydney Harbour Tunnel, WestConnex 1A and 1B, WestConnex 2, and WestConnex 3A and 3B.

Toll Roads – WestConnex

Arrangement Terms and Conditions	
Description	**WestConnex 1A and 1B:** The Stage 1 Project Deed was signed with the concession holder requiring M4 widening (Stage 1A) and the construction of the new M4 tunnels and associated surface works (Stage 1B). Stage 1A was opened to traffic on 4 July 2017. **WestConnex 2:** The Stage 2 Deed was signed on 20 November 2015 to develop and upgrade the existing M5 East from Beverly Hills to St Peters. **WestConnex 3A and 3B:** The Stage 3 Project Deed was signed with the concessional holder on 12 June 2018 for the design, construction, operation and maintenance of the M4-M8 Link Tunnels (Stage 3A) and the operation of the Rozelle Interchange (Stage 3B). Stage 3B opened to traffic on 26 November 2023.
Funding Model	**WestConnex 1A:** GORTO arrangement. **WestConnex 1B:** GORTO arrangement **WestConnex 2:** GORTO arrangement. **WestConnex 3A:** Hybrid arrangement. **WestConnex 3B:** GORTO arrangement.
Arrangement Period	**WestConnex 1A and 1B:** 43 years (2017 - 2060) **WestConnex 2:** 40 years (2020 - 2060) **WestConnex 3A and 3B:** 37 years (2023 to 2060)
Arrangement Terms	**WestConnex 1A and 1B:** The Project Deed stipulates that the operator, Transurban, will operate the motorway until 2060, after which the motorway will be transferred back to the State at no cost. Up until the end of the concession period, the State has granted the concession holder the right to levy and retain tolls on the motorway. The State is entitled to a share of tolling revenue above the base revenue threshold. **WestConnex 2:** The State granted motorway stratum land leases over new M5 Main Works and M5 East Lease when Stage 2 opened to traffic on 5 July 2020, and M5 West Lease from December 2026 to the termination date of 31 December 2060. The State is entitled to a share of tolling revenue with the operator, Transurban, above the base revenue threshold. **WestConnex 3A and 3B:** The Project Deed stipulates that the operator will operate the M4-M8 Link and Rozelle Interchange until 31 December 2060, after which the motorway will be transferred to the State at no cost. Up until the end of the concession period, the State will grant the concession holder the right to levy and retain tolls on the motorway.
Rights and Obligations	The operator must keep all traffic lanes of the toll road open to the public for the safe, efficient and continuous passage of vehicles. The operator must not levy or impose any charge, toll or fee for or in connection with the use of the toll road other than in accordance with the Toll Calculation Schedule specified in the Deed. Upon the end of the term the operator must transfer to the State the toll road and associated assets in a fully functional condition which complies with contractual arrangements.
SCA Carrying Amount	**Transport for NSW Toll Roads[(a)]:** $35,762 million (2022-23: $30,334 million)

(a) Toll roads managed by Transport for NSW for the State include the M2 Motorway, M5 Motorway, M7 Motorway, M7 Widening, M7-M12 Interchange, NorthConnex, Cross City Tunnel, Eastern Distributor, Lane Cove Tunnel, Sydney Harbour Tunnel, WestConnex 1A and 1B, WestConnex 2, and WestConnex 3A and 3B.

Car Park Facilities

Arrangement Terms and Conditions	
Description	**B-Line Car Parks:** The State has entered arrangements with the Northern Beaches Council (the operator) for the use of car spaces for public commuter car parking at B-Line bus service car parks. **Hospital Car Parks:** The State has entered into construction and operation arrangements with Infrashore (the operator) for car parks at the Royal North Shore Hospital (RNSH P1 and RNSH P2), and the International Parking Group (the operator) for car parks at the Prince of Wales Hospital and St George Hospital.
Funding Model	**B-Line Car Parks:** GORTO arrangement. **Hospital Car Parks:** RNSH P1: Hybrid arrangement, RNSH P2: Financial liability arrangement, Prince of Wales Hospital Car Park: GORTO arrangement, and St George Hospital Car Park: Hybrid arrangement.
Arrangement Period	**B-Line Car Parks:** 30 to 50 years **Hospital Car Parks:** RNSH P1: 26 years (2010 - 2036), RNSH P2: 22 years (2014 - 2036), Prince of Wales Hospital Car Park: 26 years (1997 - 2023), and St George Hospital Car Park: 25 years (1999 - 2024)
Arrangement Terms	**B-Line Car Parks:** The operator is responsible for the provision of public commuter car parking, and maintenance of the car parks, while the State will bear a pro rata share of the operator's outgoings in connection with ownership, control, operation, management and maintenance of the premises. **Hospital Car Parks:** The State has contracted the operator to build RNSH P2 carpark and manage both the RNSH P1 and P2 carparks. RNSH P2 carpark construction was funded by the State and paid in instalments under a financing arrangement for the duration of the term. The RNSH P1 carpark was an existing carpark of the State. The Prince of Wales hospital carpark and St George hospital carpark were funded by the operator which was contracted to build, manage and operate both carparks. The State has granted rights to the operator to operate and generate revenue from the carparks. Upon grant of this right, the operator has paid an upfront license fee to the State.
Rights and Obligations	**B-Line Car Parks:** The operator can terminate the arrangement, but only in the event of a material breach by the State or if monies are outstanding. The State has the right to give three months notice to terminate the arrangement and thereafter vacate after removing transport-related equipment and signage. At the end of the term, the State can continue to occupy the car park. The State can transfer or sublet the arrangement, including to another agency. **Hospital Car Parks:** The State is obliged to provide the operators with access to the carparks and is obligated to pay for the construction of the RNSH P2 car park under the financing arrangement with the Operator. The operators are responsible for car park operations and at arrangement end will return all assets back to the State. There are no provisions for extension of the term in the contracts, however this can be separately negotiated.
Changes to Arrangements during 2022-23	**Hospital Car Parks:** Prince of Wales Hospital Car Park arrangement ended on 30 June 2023, assets will be transferred back to the State during 2023-24.
Changes to Arrangements during 2023-24	**Hospital Car Parks:** The Prince of Wales hospital car park arrangement has finished, and the assets reclassified out of service concession arrangements to land and buildings during the year.
SCA Carrying Amount	**B-Line Car Parks:** $24 million (2022-23: $27 million) **Hospital Car Parks:** RNSH P1 car park: $24 million (2022-23: $25 million), RNSH P2 car park: $25 million (2022-23: $24 million); St George Hospital car park: $10 million (2022-23: $10 million), and Prince of Wales Hospital car park: Nil (2022-23: $52 million)

Correctional Centres

Arrangement Terms and Conditions	
Description	**Clarence Correctional Centre:** The State has an arrangement with the Serco Group (the operator) to construct, maintain and operate the Clarence Correctional Centre as part of NSW Corrective Services. **Parklea and Junee Correctional Centres:** The State has separate arrangements with MTC-Broadspectrum and GEO Group Australia (the operators) to respectively maintain and operate the Parklea and Junee Correctional Centres.
Funding Model	**Clarence Correctional Centre:** Financial liability arrangement. **Parklea and Junee Correctional Centres:** N/A – the operator uses the State's existing assets.
Arrangement Period	**Clarence Correctional Centre:** 20 years (2020 - 2040) **Parklea Correctional Centre:** 7 years (2019 - 2026) **Junee Correctional Centre:** 6 years (2019 - 2025)
Arrangement Terms	**Clarence Correctional Centre:** The Correctional Centre was constructed by the operator on existing State-owned land and was completed for operational use on 1 July 2020. Construction is financed through the operator over the arrangement period. Commencing 1 July 2020, the State is obliged to make payments for ongoing service and asset maintenance fees, including transitional one-off fixed fees, interest and debt repayments. **Parklea and Junee Correctional Centres:** The Correctional Centres were existing assets of the State prior to 1 July 2019. Under the project deed arrangement, the State is obligated to pay ongoing services payments and asset maintenance fees to the operator over the arrangement period.
Rights and Obligations	The State is required to provide site access to all operators to operate the correctional centres. Following the contractual end dates, the State continues to own the assets managed by the operators. There is no early termination or option period after the contractual end dates stated above.
Changes to Arrangements during 2023-24	**Junee Correctional Centre:** The period of arrangement has been extended by 1 year and is now effective 1 April 2019 to 31 March 2025.
SCA Carrying Amount	**Clarence Correctional Centre:** $729 million (2022-23: $727 million) **Parklea Correctional Centre:** $374 million (2022-23: $353 million) **Junee Correctional Centre:** $337 million (2022-23: $369 million)

Public Hospitals and Health Facilities

Arrangement Terms and Conditions	
Description	**Northern Beaches and Hawkesbury Hospitals:** Two public hospitals built and operated under separate public private partnership arrangements by HealthScope (Northern Beaches Hospital operator) and St John of God Health Care (Hawkesbury Hospital operator). **Far West Mental Health Recovery Centre:** A mental health sub-acute unit in Broken Hill (Far West Local Health District) owned by the State and operated by Neami Limited (the operator) under a service agreement. **Mercy Care Centre Young:** A sub-acute rehabilitation and palliative care unit in Young that provides services to the people of Young and surrounding regions. It is owned by the State and operated by Mercy Health under a 20 year lease agreement and annual service agreements.
Funding Model	**Northern Beaches Public Hospital:** Hybrid arrangement, and **Hospital Car Park -** GORTO arrangement. **Hawkesbury Hospital:** Financial liability arrangement. **Far West Mental Health Recovery Centre and Mercy Care Centre Young:** N/A – the operator uses the State's existing assets.
Arrangement Periods	**Northern Beaches Public Hospital:** 20 years (2018 - 2038), and **Hospital Car Park** - 40 years (2018 - 2058) **Hawkesbury Hospital:** 30 years (1994 - 2024) **Far West Mental Health Recovery Centre:** 5 years (2019 - 2024) **Mercy Care Centre Young:** 20 years (2004 to 2024)
Arrangement Terms	**Northern Beaches Hospital and Hawkesbury Hospital:** The State has contracted the operators to separately build, operate, and manage the hospitals. The Northern Beaches Hospital was paid up front on completion of construction while the Hawkesbury Hospital was paid over time under a financing arrangement with the operator. The operator funded Northern Beaches car park construction, and the State has granted the operator the right to operate and generate revenue from the car park. The State has entered service level arrangements with the operators for the delivery of public health services at the hospitals which is funded by the State and paid monthly. **Far West Mental Health Recovery Centre and Mercy Care Centre Young:** The operator has been contracted to operate the Centre and is compensated under the agreement. Assets associated with the arrangement have been provided by the State.
Rights and Obligations	**Northern Beaches Hospital and Hawkesbury Hospital:** The State is obligated to provide the operators access to the hospitals and the car park. The operators are responsible for the delivery of public patient health services at the hospitals which the State is obligated to pay for. The operators are obligated to return all assets back to the State at the end of the arrangements. For Northern Beaches Hospital, the State will be sharing a portion of the hospital facilities with the private operator for an additional term of 20 years after the expiry of the concession period. The State has the right to extend the Northern Beaches Hospital arrangement for up to five years. For Hawkesbury Hospital, a temporary extension to 30 June 2024 was agreed, following which the operation will be managed by the consolidated entity. **Far West Mental Health Recovery Centre and Mercy Care Centre Young:** The State is obligated to provide the operator with access to the Centre. The operator is responsible for the delivery of specified patient services at the Centre. The State is obligated to pay for services under the funding agreement. The operator is obliged to return all assets back to the State at arrangement end. There is no provision for arrangement term extension, however this can be negotiated.
Changes to Arrangements during 2023-24	**Hawkesbury Hospital:** The arrangement was due to end in December 2023. This was extended during the year, and as of 1 July 2024, the operation and management of Hawkesbury Hospital has transitioned from St John of God Health Care to Nepean Blue Mountains Local Health District. The assets continue to be reflected as SCA in the current financial statements and will be transferred out in 2024-25. **Far West Mental Health Recovery Centre:** Mental Health Recovery arrangement has ended 31 March 2024, with assets transferred out of service concession arrangements. **Mercy Care Centre Young:** The lease arrangement for Mercy Care Centre Young has expired in June 2024. The arrangement is currently continuing on a month to month basis, while negotiations are being undertaken to renew the lease.
SCA Carrying Amount	**Northern Beach Public Hospital and Car Park:** $693 million (2022-23: $688 million) **Hawkesbury Hospital:** $84 million (2022-23: $63 million) **Far West Mental Health Recovery Centre:** Nil (2022-23: $5 million) **Mercy Care Centre Young** : $10 million (2022-23: $10 million)

Water System Assets

Arrangement Terms and Conditions	
Description	**Blue Mountains Sewage Transfer Scheme:** The State has a service agreement with the legal owner of a sewage tunnel in the Blue Mountains for the transfer of sewage to a sewage treatment plant owned by the State. (TSS only) **Water Filtration Plants:** The State has contractual arrangements with the owners of water filtration plants at Prospect, Macarthur, Illawarra, and Woronora for the filtration of bulk water. (TSS only) **Gerringong Gerroa Sewage Treatment Plant:** The State has entered a service agreement with the legal owner of the sewage treatment plant for the collection of sewage via pumping stations and its transport via pipe networks to the sewage treatment works and its subsequent transport for re-use on a dairy farm. (TSS only) **Bingara Gorge Treatment Plant:** The State has an agreement with the operator to take and treat wastewater from Bingara Gorge and Wilton Village. This will supply recycled water services for the Bingara and Wilton area and any excess flow sent to an effluent pond for irrigation of an adjacent golf course. (TSS only)
Funding Model	**Blue Mountains Sewage Transfer Scheme / Water Filtration Plants:** Financial liability arrangement. (TSS only) **Gerringong Gerroa Sewage Treatment Plant:** N/A – the operator uses the State's existing assets. (TSS only**)** **Bingara Gorge Treatment Plant:** N/A – the operator uses the State's existing assets. (TSS only)
Arrangement Period	**Blue Mountains Sewage Transfer Scheme:** 35 years (1996 to 2031) with the option to extend to 50 years **Water Filtration Plants:** Illawarra: 21 years (2015 - 2036), Macarthur: 19 years (2011 - 2030), Prospect: 19 years (2016 - 2035), and Woronora: 21 years (2015 - 2036) **Gerringong Gerroa Sewage Treatment Plant:** 34 years (2002 to 2036) **Bingara Gorge Treatment Plant:** 13 years (2015 to 2028)
Arrangement Terms	The legal owners are paid a tariff (separated into principal and interest components) on a quarterly basis for bulk water services for Blue Mountains and for others payment on a monthly basis.
Rights and Obligations	The legal owners are responsible for the delivery of filtration, transport and treatment services and transfer legal title of water system assets at the end of the agreements. The State is obligated to pay for service performed.
Changes to Arrangements during 2022-23	**Gerringong Gerroa Sewage Treatment Plant:** The term of the agreement was extended for 14 years, effective 1 July 2022. The contract will now expire on 30 November 2036. **Bingara Gorge Treatment Plant:** The term of the agreement was extended for 5 years, effective 1 April 2023. The contract will now expire on 30 March 2028.
Changes to Arrangements during 2023-24	**Water Filtration Plants:** The Corporation arranged a new concession for plant and equipment for $0.2 million for the Macarthur water filtration plant. This concession was paid during the year.
SCA Carrying Amount	**Blue Mountains Sewage Transfer Scheme:** $1,022 million (2022-23: $965 million) (TSS only) **Water Filtration Plants:** $472 million (2022-23: $446 million) (TSS only) **Gerringong Gerroa Sewage Treatment Plant:** $83 million (2022-23: $80 million) (TSS only) **Bingara Gorge Treatment Plant:** $19 million (2022-23: $19 million) (TSS only)

Other Arrangements

Arrangement Terms and Conditions	
Description	**Ferry Services:** A contract with Transdev (the operator) to operate ferry services in Sydney. (TSS only) **International Convention Centre:** A public private partnership agreement with Darling Harbour Live Partnership (the operator) to design, construct and operate the International Convention Centre in Sydney. (TSS only) **Land Title Registration System:** An arrangement to enable Australian Registry Investments (the operator) to operate the New South Wales Land Title Registration System for the State under a service agreement. **Sydney Road Assets Performance (SRAP):** A contract with three private parties (service providers) based on zoning to deliver key road maintenance and capital projects across the Greater Sydney state road network. **Tweed River Entrance Sand Bypassing:** The State and Queensland government have entered into a contract as joint principals with a private operator to operate and maintain the Tweed River Entrance Sand Bypassing system (TRESB system). The arrangement was transferred to the State in 2020-21 as part of the Machinery of Government changes.
Funding Model	**Ferry Services (Transport for NSW):** Financial liability arrangement. **Ferry Services (Sydney Ferries):** N/A – the operator uses the State's existing assets. **International Convention Centre:** Financial liability arrangement. **Land Title Registration System:** GORTO arrangement. **Sydney Road Asset Performance:** N/A – the operator uses the State's existing assets. **Tweed River Entrance Sand Bypassing:** N/A – the operator uses the State's existing assets.
Arrangement Period	**Ferry Services:** 9 years (2019 – 2028) **International Convention Centre:** 28 years (2013 - 2041) **Land Title Registration System:** 35 years (2017 - 2052) **Sydney Roads Asset Performance:** 9 years (2021 - 2030) **Tweed River Entrance Sand Bypassing:** 23 years (2001 - 2024)
Arrangement Terms	**Ferry Services:** The private operator Transdev is required to provide ferry services to public commuters on the Sydney Harbour and Parramatta River using ferries and other assets owned by the State. The State has entered into leases with the operator for the existing fleet and shipyard. The contract can be terminated at year eight at the State's discretion. **International Convention Centre:** The operator has been contracted to design, construct and operate the International Convention Centre for the arrangement duration. Operation services commenced for 25 years from construction arrangement completion date of December 2016. The State processes quarterly payments to the operator as per the agreement. The operator's interests in the Centre will revert to the State for no consideration at the end of the arrangement term. **Land Title Registration System:** The State has received up-front consideration of $2.7 billion from the operator for the right to operate the NSW Land Titling Registry. The State has granted the operator the right to operate and generate revenue from land titling and registration services. **Sydney Roads Asset Performance:** The State, as the owner of the road assets, determines the strategic direction and issues the service provider with an Asset Management Brief. **Tweed River Entrance Sand Bypassing:** The private operator has been contracted for the operation and maintenance of the TRESB system to ensure that a safe and navigable entrance to the Tweed River is maintained whilst providing a continuing supply of sand to the south Gold Coast beaches.
Rights and Obligations	**Ferry Services:** The operator is responsible for the provision of end-to-end ferry services including maintenance of lease ferry and other leased assets. The operator is required to hand back all leased assets at the end of term at the required standard. The State is responsible for providing the operator with access to the core assets to provide ferry services. **International Convention Centre:** The State is required to provide the operator access to the Centre. The operator is responsible for the continuing operation of the Centre which the State is obligated to pay for under the contractual agreements. **Land Title Registration System:** The operator is responsible for maintenance and operation of the titling database. The State regulates and controls the maximum price chargeable by the operator for the core services and other price revisions. The State maintains control over the titling database as per the concession deed. **Sydney Roads Asset Performance:** The service providers must manage the assets, including developing and delivering routine maintenance, capital renewals and asset improvements to achieve agreed outcomes and progressively take on increased levels of risk in relation to asset performance over the duration of the contract term. **Tweed River Entrance Sand Bypassing:** The operator is responsible for maintaining a clear navigation channel at the Tweed River entrance, delivering sand to the southern Gold Coast beaches, and the operation and maintenance of the TRESB system. The grantors will pay the operator a service charge for its services, which are jointly funded by the State and Queensland government. The operator is required to surrender the TRESB system and other necessary project assets to the grantors at the end of the arrangement.
SCA Carrying Amount	**Ferry Services[(a)]:** $216 million (2022-23: $148 million) (TSS only) **International Convention Centre:** $1,161 million (2022-23: $1,169 million) (TSS only) **Land Title Registration System[(b)]:** $913 million (2022-23: $840 million) **Sydney Roads Asset Performance:** $29,334 million (2022-23: $28,156 million) **Tweed River Entrance Sand Bypassing:** $26 million (2022-23: $27 million)

(a) Ferry services service concession assets include intangible assets of $32 million (2022-23: $33 million) presented in Note 17: Intangibles.
(b) Land title registration system service concession assets include intangible assets of $913 million (2022-23: $840 million) presented in Note 17: Intangibles.

Note 16: Leases

State as a Lessee

Lessee Arrangements Under AASB 16

The State has leases of various land, buildings, infrastructure, equipment, and motor vehicles. Lease contracts of the State typically range from periods of 3 to 15 years and may also include extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets generally may not be used as security for borrowing purposes.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the State and not by the respective lessor. In determining the lease term, the State considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

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

The State recognises lease liabilities (which are reported as part of borrowings at amortised cost on the Consolidated Statement of Financial Position) to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

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

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

- Land and buildings: 1 to 100 years
- Plant and equipment: 1 to 43 years
- Infrastructure systems: 3 to 20 years

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

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

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the State to further its objectives, are also measured at cost. These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, subject to impairment. These arrangements are not significant in number or value for the State.

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

- Fixed payments (including in substance fixed payments) less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate;
- Amounts expected to be paid under residual value guarantees;
- Exercise price of purchase options reasonably certain to be exercised by the State; and
- Payments of penalties for lease termination, if the lease term reflects the exercising of the termination option.

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

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

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

For a lease modification that is not accounted for as a separate lease, the State accounts for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the lease scope and recognising any gain or loss relating to the partial or full termination of the lease;
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The State's lease liabilities are included in Note 23: Borrowings at Amortised Cost.

The State has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis over the lease term, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of $10,000 or less when new.

Right-of-Use Assets

The following tables present right-of-use assets (that do not meet the definition of investment property).

General Government Sector

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Total
	$m	$m	$m	$m
Year Ended 30 June 2024				
Net Carrying Amount at Start of Year	**4,808**	**1,231**	**147**	**6,185**
Additions and Remeasurements	705	411	19	**1,135**
Disposals	(13)	(2)	(2)	**(17)**
Net Impairment Recognised In the Operating Result	(36)	0	...	**(36)**
Depreciation Expense[(a)]	(526)	(278)	(13)	**(817)**
Other Movements	(125)	(65)	28	**(162)**
Net Carrying Amount at End of Year	**4,812**	**1,297**	**179**	**6,288**

(a) Depreciation amounts included in the above reconciliation differ from depreciation expenses disclosed in Note 3: Expenses due to the capitalisation of depreciation expenses on right-of-use assets used for the construction of property, plant and equipment.

General Government Sector (continued)

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Total
	$m	$m	$m	$m
Year Ended 30 June 2023				
Net Carrying Amount at Start of Year	**5,768**	**1,284**	**122**	**7,174**
Additions and Remeasurements[(a)]	(253)	259	32	**39**
Disposals	(56)	(5)	(2)	**(64)**
Net Impairment Recognised In the Operating Result	(145)	(14)	...	**(159)**
Depreciation Expense[(b)]	(559)	(275)	(12)	**(846)**
Other Movements	53	(18)	6	**41**
Net Carrying Amount at End of Year	**4,808**	**1,231**	**147**	**6,185**

(a) Additions and Remeasurements for Land and Buildings include $(777) million mainly due to a lease modification for a removal of a lease extension option.
(b) Depreciation amounts included in the above reconciliation differ from depreciation expenses disclosed in Note 3: Expenses due to the capitalisation of depreciation expense on right-of-use assets used for the construction of property, plant and equipment.

Total State Sector

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Total
	$m	$m	$m	$m
Year Ended 30 June 2024				
Net Carrying Amount at Start of Year	**5,396**	**2,852**	**290**	**8,538**
Additions and Remeasurements	873	446	1,823	3,142
Disposals	(16)	(2)	(2)	(20)
Net Impairment Recognised In the Operating Result	(37)	3	...	(34)
Depreciation Expense[(a)]	(598)	(380)	(77)	(1,055)
Other Movements	(129)	(17)	36	(109)
Net Carrying Amount at End of Year	**5,489**	**2,901**	**2,071**	**10,462**

(a) Depreciation amounts included in the above reconciliation differ from depreciation expenses disclosed in Note 3: Expenses due to the capitalisation of depreciation expenses on right-of-use assets used for the construction of property, plant and equipment.

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Total
	$m	$m	$m	$m
Year Ended 30 June 2023				
Net Carrying Amount at Start of Year	**6,395**	**2,989**	**271**	**9,655**
Additions and Remeasurements[(a)]	(191)	274	32	114
Disposals	(69)	(6)	(2)	(76)
Net Impairment Recognised In the Operating Result	(145)	(14)	...	(160)
Depreciation Expense[(b)]	(638)	(375)	(28)	(1,042)
Other Movements	46	(17)	17	46
Net Carrying Amount at End of Year	**5,396**	**2,852**	**290**	**8,538**

(a) Additions and Remeasurements for Land and Buildings include $(780) million mainly due to a lease modification for a removal of a lease extension option.
(b) Depreciation amounts included in the above reconciliation differ from depreciation expenses disclosed in Note 3: Expenses due to the capitalisation of depreciation expense on right-of-use assets used for the construction of property, plant and equipment.

Lease Liabilities

The following table presents lease liabilities accounted for under AASB 16.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Lease Liabilities				
Current	731	759	838	861
Non-current	6,016	6,022	10,310	8,397
	6,748	**6,781**	**11,147**	**9,257**

The total cash outflow for leases is $1,385 million (2022-23: $1,417 million) for the GGS and $1,968 million (2022-23: $1,776 million) for the TSS.

Potential undiscounted future cash outflows relating to extension and termination options of $1,360 million (2022-23: $1,804 million) for the GGS and $1,390 million (2022-23: $1,831 million) for the TSS have not been included in the carrying amount of lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the State. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $282 million (2022-23: $645 million decrease) for the GGS and $282 million (2022-23: $638 million decrease) for the TSS.

The State in limited circumstances provides residual value guarantees in relation to leases to optimise lease costs throughout the lease term. The State initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. When the expected residual value at lease commencement is equal to or higher than the guaranteed amount, the State estimates that it will not pay any amounts under the guarantees. The expected residual values are reviewed to reflect actual residual values achieved on comparable assets and expectations about future prices at the end of each reporting period.

The State is committed to short-term leases at 30 June 2024. These commitments do not expose the State to any material exposures at the 30 June reporting date.

Refer to Note 3: Expenses for interest expense on lease liabilities and expenditure amounts recognised for lease payments not recognised in the carrying amount of lease liabilities.

Further information regarding liquidity risk, including a maturity analysis of lease liabilities is disclosed in Note 28: Financial Instruments.

Sales and Leaseback Transactions

The State has not entered into any significant sale and leaseback transactions in the financial year ended 30 June 2024 (2022-23: Nil).

State as a Lessor

The State leases out its infrastructure, land and buildings under finance and operating leases with rentals typically payable monthly. Lease payments for contracts include CPI increases, and in limited circumstances variable lease payments may be evident that depend on an index or rate.

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

At the lease commencement date, the State recognises a receivable for assets held under a finance lease in the Consolidated Statement of Financial Position at an amount equal to the net investment in the lease. The net investment in leases is classified as a financial asset measured at amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease. Finance leases receivable also include residual interests in port and electricity network assets where payments have been received upfront by the State. Where considered necessary to reduce credit risk, the State may obtain guarantees or deposits for the lease term.

Although the State is exposed to changes in the residual value of leased assets at the end of the current leases, the State typically enters into new leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the carrying amount of the underlying leased asset. Payment has also been received upfront for finance lease arrangements where the State has exposure to unguaranteed residual values.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. Refer to Note 2: Revenue for interest income recognised for finance leases receivable.

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

Finance Leases

The following table sets out a maturity analysis of leases receivable under finance lease arrangements, showing the undiscounted lease payments to be received after the 30 June 2024 reporting date.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Finance Leases Receivable[a]	1,669	1,597	2,026	1,933
	1,669	**1,597**	**2,026**	**1,933**
Future Minimum Lease Receipts Under Non-Cancellable Finance Leases:				
Less Than One Year	90	39	87	59
One to Two Years	80	73	80	72
Two to Three Years	377	30	435	30
Three to Four Years	35	419	36	477
Four to Five Years	36	30	37	30
More Than Five Years	9,225	7,394	15,015	13,268
Total	**9,843**	**7,984**	**15,690**	**13,935**
Unguaranteed Residual Values - Undiscounted	207,614	210,247	262,335	264,948
(Less) Unearned Finance Income[b]	(215,789)	(216,635)	(275,999)	(276,950)
Net Investment In Finance Leases	**1,669**	**1,597**	**2,026**	**1,933**

(a) Refer to Note 7: Investments, Loans and Placements for further details regarding finance leases receivable.
(b) Unearned finance income relates to future non-cancellable minimum lease receipts and the unguaranteed residual values.

The unguaranteed residual value within the net investment in finance leases contains the State's residual emerging interests in port assets and electricity network assets. The present value of residual emerging interests in port assets amounted to $326 million (2022-23: $305 million) for the GGS and $462 million (2022-23: $431 million) for the TSS, and in electricity network assets amounted to $250 million (2022-23: $242 million) for the GGS and TSS in 2023-24.

Operating Leases

Future minimum lease payments receivable (undiscounted) under AASB 16 non-cancellable operating leases as at 30 June 2024 are as follows:

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Future Minimum Lease Receipts Under Non-Cancellable Operating Leases:				
Not Later Than One Year	194	162	1,124	1,047
One to Two Years	146	142	1,068	1,012
Two to Three Years	127	128	1,059	1,007
Three to Four Years	102	117	1,033	1,007
Four to Five Years	75	96	991	953
More Than Five Years	1,008	1,088	6,853	6,764
Total	**1,651**	**1,733**	**12,128**	**11,790**

Refer to Note 2: Revenue for operating lease income amounts recognised throughout the reporting period.

Note 17: Intangibles

Intangible assets, excluding service concession assets, are measured initially at cost in accordance with AASB 138. Where an asset is acquired free of cost or at nominal cost, the cost is its fair value as at the date of acquisition. The State recognises intangible assets only if it is probable that future economic benefits will flow to the State and the cost of the asset can be measured reliably. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

Intangible assets are subsequently measured at fair value where there is an active market. If there is no active market, the assets are carried at cost less any accumulated amortisation and impairment losses.

Intangible assets with finite lives are amortised under the straight-line method and expensed in the Consolidated Statement of Comprehensive Income for the period, in accordance with AASB 138. Intangible assets with an indefinite life are not amortised but are tested for impairment annually either individually or at the cash generating unit level.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognised in other economic flows – included in the operating result.

Easements are treated as having an indefinite life as the access rights are considered to be permanent.

Service concession assets included in intangibles are measured at current replacement cost on initial recognition or date of reclassification in accordance with the cost approach to fair value in AASB 13. Subsequent to the initial recognition or reclassification, these assets are measured at current replacement cost and accounted for in accordance with the amortisation and impairment requirements of AASB 138 and AASB 136.

Refer to Note 15: Property, Plant and Equipment for further information on service concession arrangements that fall in scope of AASB 1059 and the fair value measurement of service concession assets.

Assumptions

	Computer Software	Easements	Other	Service Concession Assets
Useful lives	Finite (2-20 years)	Indefinite	Indefinite or finite (4-10 years)	Indefinite or finite (16-19 years)
Amortisation method	Straight line	Not amortised	Not amortised or straight line	Not amortised or straight line
Internally Generated/Acquired	Both	Acquired	Both	Both
Impairment test/Recoverable amount testing	Where an indicator of impairment exists	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists

General Government Sector

	Computer Software At Cost	Easements[(a)] At Cost	Other At Cost	Service Concession Assets[(b)] At Fair Value	Total
	$m	$m	$m	$m	$m
At 1 July 2022					
Gross Carrying Amount	6,746	352	111	928	**8,137**
Accumulated Amortisation and Impairment	(3,324)	(6)	(1)	(32)	**(3,363)**
Net Carrying Amount	**3,422**	**346**	**110**	**896**	**4,774**
Year ended 30 June 2023					
Net Carrying Amount at Start of Year	**3,422**	**346**	**110**	**896**	**4,774**
Additions	920	0	33	2	**955**
Disposals	(31)	(0)	...	...	**(31)**
Reclassification from / (to) Property, Plant and Equipment	164	2	(8)	0	**159**
Recognised In the Operating Result - Other Economic Flows:					
Net Revaluations	(1)	...	...	...	**(1)**
Impairment	(18)	2	...	...	**(16)**
Amortisation	(666)	(0)	(2)	(5)	**(672)**
Other Movements	(37)	(0)	9	37	**8**
Net Carrying Amount at End of Year	**3,754**	**350**	**142**	**931**	**5,176**
At 1 July 2023					
Gross Carrying Amount	7,388	352	145	967	**8,852**
Accumulated Amortisation and Impairment	(3,634)	(2)	(3)	(36)	**(3,676)**
Net Carrying Amount	**3,754**	**350**	**142**	**931**	**5,176**
Year ended 30 June 2024					
Net Carrying Amount at Start of Year	**3,754**	**350**	**142**	**931**	**5,176**
Additions	1,093	0	42	...	**1,136**
Disposals	(16)	(0)	(1)	...	**(17)**
Reclassification from / (to) Property, Plant and Equipment	169	7	(93)	(1)	**82**
Recognised In the Operating Result - Other Economic Flows:					
Impairment	(0)	0	...	...	**0**
Amortisation	(567)	...	(0)	(6)	**(573)**
Other Movements	(201)	0	14	30	**(157)**
Net Carrying Amount at End of Year	**4,232**	**358**	**103**	**954**	**5,647**
At 30 June 2024					
Gross Carrying Amount	8,271	360	107	998	**9,736**
Accumulated Amortisation and Impairment	(4,039)	(2)	(4)	(44)	**(4,089)**
Net Carrying Amount	**4,232**	**358**	**103**	**954**	**5,647**

(a) Includes easements over land, and water rights.
(b) Service concession assets comprises intangibles measured at current replacement cost including land and title registry databases, rights to receive inventories and stock, and easements under concessional arrangements.

Total State Sector

	Computer Software At Cost	Easements[a] At Cost	Other At Cost	Service Concession Assets[b] At Fair Value	Total
	$m	$m	$m	$m	$m
At 1 July 2022					
Gross Carrying Amount	8,539	460	471	957	**10,426**
Accumulated Amortisation and Impairment	(4,404)	(8)	(112)	(34)	**(4,557)**
Net Carrying Amount	**4,135**	**452**	**359**	**924**	**5,869**
Year ended 30 June 2023					
Net Carrying Amount at Start of Year	**4,135**	**452**	**359**	**924**	**5,869**
Additions	1,089	0	35	4	**1,128**
Disposals	(31)	(0)	(0)	...	**(32)**
Reclassification from / (to) Property, Plant and Equipment	178	4	(11)	0	**172**
Recognised In the Operating Result - Other Economic Flows:					
Net Revaluations	(8)	...	...	...	**(8)**
Impairment	(18)	2	(2)	6	**(12)**
Amortisation	(814)	(0)	(33)	(6)	**(852)**
Other Movements	(8)	23	(64)	37	**(13)**
Net Carrying Amount at End of Year	**4,524**	**481**	**284**	**964**	**6,253**
At 1 July 2023					
Gross Carrying Amount	9,311	485	429	1,003	**11,227**
Accumulated Amortisation and Impairment	(4,787)	(4)	(144)	(39)	**(4,975)**
Net Carrying Amount 30 June 2023	**4,524**	**481**	**284**	**964**	**6,253**
Year ended 30 June 2024					
Net Carrying Amount at Start of Year	**4,524**	**481**	**284**	**964**	**6,253**
Additions	1,293	0	58	0	**1,352**
Disposals	(17)	(0)	(1)	...	**(19)**
Reclassification from / (to) Property, Plant and Equipment	172	7	(89)	(1)	**89**
Recognised In the Operating Result - Other Economic Flows:					
Net Revaluations	82	...	...	...	**82**
Impairment	(0)	1	...	(1)	**(1)**
Amortisation	(736)	(0)	(32)	(6)	**(775)**
Other Movements	(180)	(4)	10	30	**(143)**
Net Carrying Amount at End of Year	**5,138**	**485**	**230**	**986**	**6,839**
At 30 June 2024					
Gross Carrying Amount	10,681	489	406	1,038	**12,614**
Accumulated Amortisation and Impairment	(5,543)	(4)	(176)	(52)	**(5,775)**
Net Carrying Amount	**5,138**	**485**	**230**	**986**	**6,839**

(a) Includes easements over land, and water rights.
(b) Service concession assets comprises intangibles measured at current replacement cost including land and title registry databases, rights to receive inventories and stock, and easements under concessional arrangements.

Note 18: Other Non-Financial Assets

Other non-financial assets comprise primarily of prepayments recognised for payments made in advance for goods and services.

Prepayments are recognised on an accrual basis and are amortised over the period in which the economic benefits from these assets are received.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	1,204	1,386	1,453	1,760
Non-Current	526	623	892	944
	1,729	**2,009**	**2,345**	**2,704**
Other Non-Financial Assets Comprise:				
Prepayments	1,643	1,946	1,889	2,187
Other	86	63	456	517
	1,729	**2,009**	**2,345**	**2,704**

Note 19: Deposits Held

Deposits held represent liabilities for deposits and security deposits held on behalf of entities and individuals external to the State.

Deposits held by PFCs are monies deposited with TCorp on an unsecured basis either at call or for fixed terms of one year or less, with interest payable at maturity. Deposits held by PFCs are designated at FVTPL at initial recognition as they are managed on a fair value basis in accordance with a documented risk management strategy.

Other deposits held represent liabilities for customer and security deposits for transport services and utilities such as electricity and water. Customer and contractor deposits can be refunded at any time. Other deposits held are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. Deposits are recognised at no less than the amount payable on demand. Other deposits held are subsequently measured at amortised cost using the effective interest method.

Further information regarding fair value measurement, liquidity risk, including a maturity analysis of deposits held, and market risk are disclosed in Note 28: Financial Instruments.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	342	327	413	397
Non-Current	2	0	4	2
	344	**327**	**417**	**399**
Deposits are Held for the Purposes of:				
Held by PFCs	...	...	39	37
Other	344	327	379	362
	344	**327**	**417**	**399**

Note 20: Payables

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

Payables are initially measured at fair value, net of directly attributable transaction costs. Payables are subsequently measured at amortised cost using the effective interest method.

Further information regarding liquidity risk, including a maturity analysis of the below payables are disclosed in Note 28: Financial Instruments.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current[(a)]	9,430	9,205	43,274	20,281
Non-Current	261	144	264	147
	9,691	**9,349**	**43,538**	**20,428**
Payables Comprise:				
Payables of a Capital Nature	1,746	1,562	2,313	1,845
Accrued Employee Benefits	1,125	950	1,244	1,059
Interest on Borrowings and Advances	1,089	820	63	20
Settlement of Borrowings and Other Financial Instruments[(b)]	...	...	31,910	9,488
Creditors and Other Accruals[(a)]	5,731	6,017	8,007	8,016
	9,691	**9,349**	**43,538**	**20,428**

(a) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.

(b) The payable represents amounts in managed investment funds due to brokers for securities purchased that have been contracted for but not yet delivered by the end of the period.

Note 21: Contract Liabilities

Contract liabilities primarily relate to consideration received in advance from customers, accounted for under AASB 15, in respect of revenues recognised from the sale of goods and services, and grants and subsidies with sufficiently specific performance obligations.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	630	629	809	722
Non-Current	233	229	282	267
	864	**858**	**1,091**	**989**

The following table provides information on contract liabilities and performance obligations in contracts with customers.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Revenue Recognised that was Included in the Contract Liabilities Balance at the Beginning of the Year	265	276	302	351
Revenue Recognised from Performance Obligations Satisfied in Previous Periods	25	9	39	34
Transaction Price Allocated to the Remaining Performance Obligations from Contracts with Customers	565	551	609	659

The transaction price allocated to the remaining performance obligations relates primarily to sale of goods and services revenue. For the GGS, 74 per cent (2023: 74 per cent) of this amount is expected to be recognised as revenue in the next financial year ending 30 June 2025 and 26 per cent (2023: 26 per cent) in subsequent financial years. For the TSS, 75 per cent (2023: 72 per cent) of this amount is expected to be recognised as revenue in the next financial year ending 30 June 2025 and 25 per cent (2023: 28 per cent) in subsequent financial years.

No information is provided about remaining performance obligations on 30 June 2024 for contracts that have an original expected duration of one year or less. The disclosed amounts also do not include variable consideration.

Note 22: Borrowings and Derivatives at Fair Value

Borrowings at fair value are initially and subsequently measured at fair value with transaction costs recognised in the 'net operating balance'. Borrowings at fair value primarily consist of domestic and overseas interest-bearing loans and bonds raised by TCorp. These borrowings are designated at FVTPL at initial recognition as they are managed on a fair value basis in accordance with a documented risk management strategy.

Derivative liabilities are classified as held for trading and are measured at FVTPL The measurement basis may change for derivatives designated as hedges, depending on whether they are determined to be effective hedges.

Further information on fair value measurement, liquidity risk, including a maturity analysis, and market risk is disclosed in Note 28: Financial Instruments.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	8	17	21,888	19,216
Non-Current	0	...	176,527	133,186
	9	**17**	**198,415**	**152,402**
Borrowings and Derivatives at Fair Value Comprise:				
Borrowings at Fair Value				
Bonds and Other Borrowings Issued by TCorp[(a)]	...	...	172,222	146,781
Other Fair Value Borrowings[(b)]	0	...	23,661	3,437
	0	**...**	**195,883**	**150,218**
Financial Liabilities Held For Trading				
Derivative Liabilities	8	17	2,532	2,184
	8	**17**	**2,532**	**2,184**
Total Borrowings and Derivatives at Fair Value	**9**	**17**	**198,415**	**152,402**

(a) Bonds and borrowings issued by TCorp have increased throughout the 2023-24 financial year primarily to fund infrastructure investments of the State.
(b) Other Fair Value Borrowings in the TSS mainly comprise fixed interest securities in a managed investment fund.

Note 23: Borrowings at Amortised Cost

Borrowings at amortised cost comprise of interest-bearing liabilities including GGS borrowings with TCorp, lease liabilities, service concession arrangement financial liabilities and other interest-bearing arrangements.

Borrowings at amortised cost are recognised when the State becomes a party to the contractual provisions of the instrument.

Borrowings at amortised cost are initially measured at fair value net of directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in other economic flows – included in operating result when the liabilities are derecognised as well as through the amortisation process.

Lease liabilities are determined in accordance with AASB 16. Refer to Note 16: Leases for further information on leases.

Further information on fair value measurement, liquidity risk, including a maturity analysis, and market risk of borrowings at amortised cost is disclosed in Note 28: Financial Instruments.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	5,432	4,910	1,612	2,270
Non-Current	148,053	127,168	20,469	17,025
	153,485	**132,079**	**22,082**	**19,295**
Borrowings at Amortised Cost Comprise:				
Other Borrowings at Amortised Cost[(a)(b)(c)]	141,325	120,122	4,163	3,397
Lease Liabilities	6,748	6,781	11,147	9,257
Service Concession Financial Liabilities[(d)]	5,412	5,176	6,771	6,640
	153,485	**132,079**	**22,082**	**19,295**

(a) Other borrowings at amortised cost for the GGS comprise primarily of borrowings with TCorp. These borrowings have increased throughout the financial year mainly to fund infrastructure investments of the GGS.

(b) Other borrowings at amortised cost include borrowings with respect to public private partnerships in the Health portfolio totalling to $929 million (2022-23: $952 million) and the Transport portfolio of $719 million (2022-23: $597 million).

(c) Some other borrowings at amortised cost in the TSS are secured by financial assets at fair value of $2,917 million (2022-23: $1,792 million), property, plant and equipment of $158 million (2022-23 restated: $181 million), and investment properties of $258 million (2022-23: $258 million). As of 30 June 2024 and 30 June 2023, the State was in compliance with all covenants and other requirements of other borrowings at amortised cost.

(d) Service concession financial liabilities relate to contractual payments due to service concession operators. Refer to Note 15: Property, Plant and Equipment for further details on the State's service concession arrangements.

Note 24: Employee Benefits Liabilities

Wages and Salaries, Annual Leave, Parental Leave and Sick Leave

Liabilities for 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 expected to be paid when the liabilities are settled.

Annual leave is not expected to be settled wholly before 12 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* (AASB 119) (although short-cut methods are permitted). Paid parental leave can be accumulated for up to 24 months and the provision is recognised when an employee becomes eligible. The provision is valued based on parental leave yet to be paid.

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

Consequential costs to employment such as payroll tax, workers compensation insurance premiums and fringe benefits tax are recognised as liabilities and expenses when the employee benefits they relate to are recognised.

Long Service Leave

A liability for long service leave is measured at the present value of future payments anticipated at the reporting date, using the projected unit credit method. An actuary calculates this using:

- expected future wage and salary levels;
- experience of employee departures; and
- periods of service.

Estimated future cash outflows are discounted using a discount rate based on the market yield on Commonwealth government bonds as published by the Reserve Bank of Australia, with terms to maturity that match, as closely as possible, the estimated future cash outflow.

A short-hand measurement technique is used as allowed by AASB 119 for leave relating to employees with five and more years of services, where it is not materially different from the present value, as confirmed periodically by an actuary.

Self-Funded Worker's Compensation

Worker's compensation insurance is provided by the employer or by the State's self-insurance scheme, known as the Treasury Managed Fund.

Self-funded workers' compensation includes liabilities of the Treasury Managed Fund that have been actuarially calculated on a discounted cash flows basis using a 'central' estimate assuming a liability discount rate of 4.35 to 4.43 per cent (2022-23: 4.29 to 4.35 per cent) and a future inflation rate of 2.73 to 3.28 per cent (2022-23: 2.97 to 3.44 per cent) and a superimposed inflation rate of 0.0 per cent (2022-23: 0.0 per cent).

Employee benefits liabilities are impacted by movements in the discount rate and growth in the volume and duration of claims.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	18,723	17,372	19,899	18,483
Non-Current	10,544	8,599	10,753	8,799
	29,267	**25,971**	**30,652**	**27,281**
Employee Benefits Liabilities Comprise:				
Long Service Leave	12,409	11,345	13,188	12,092
Annual and Other Leave Entitlements	5,453	5,136	5,843	5,506
Self Funded Worker's Compensation	9,696	8,131	9,815	8,251
Other	1,709	1,359	1,806	1,433
	29,267	**25,971**	**30,652**	**27,281**

Note 25: Superannuation Provisions

Superannuation provisions comprise unfunded superannuation liabilities recognised in the State's defined benefit schemes, in accordance with AASB 119.

The liability or asset, recognised in the Consolidated Statement of Financial Position, for defined benefit schemes is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets plus the impact of asset ceiling.

The defined benefit obligation is calculated annually by independent actuaries (Mercer Consulting (Australia) Pty Ltd) using the projected unit credit method. The liability is assessed using the latest triennial review of actuarial economic and demographic assumptions and subsequent economic and market forecasts. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the 10-year Commonwealth government bond rate as at 30 June.

The present value of the defined benefit obligation is based on future payments arising from service of current and past scheme members up to the reporting date. It is calculated using expected future wage and salary levels, expected future inflation levels as per the growth rate in the Consumer Price Index, superannuation contribution tax, and the experience of employee departures and their periods of service.

Net interest expense is calculated by applying the discount rate to the net defined benefit liability or asset. Net interest and other expenses related to the defined benefit plans are recognised as part of superannuation expense in expenses from transactions (refer to Note 3: Expenses).

Actuarial gains and losses resulting from changes in measurement assumptions, returns on plan assets in excess of the government bond rate and any change in the effect of the asset ceiling are recognised as re-measurements of post-employment benefits in other economic flows – other comprehensive income.

State Public Sector Superannuation Schemes

The State's public sector superannuation liability comprises the following schemes:

- State Sector Schemes:
  - State Authorities Superannuation Scheme (SASS)
  - State Authorities Non-Contributory Superannuation Scheme (SANCS)
  - State Superannuation Scheme (SSS)
  - Police Superannuation Scheme (PSS)
- Parliamentary Contributory Superannuation Scheme (PCSS)
- Judges' Pension Scheme (JPS)
- Cbus Super (Cbus)*.

*A reference to 'Cbus' in this note refers to the members of the closed Energy Industries Superannuation Scheme (EISS) transferred to Cbus on 12 May 2023 when EISS completed its merger with Cbus.

These schemes are all defined benefit schemes, whereby at least a part of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. Except for JPS, all of the above schemes are closed to new entrants.

Description of Other Entities' Responsibilities for the Governance of the Fund

The NSW Government:

- ensures that the State Sector Schemes and PCSS conform to the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that member benefits are adequately protected.
- prudentially monitors and audits the State Sector Schemes and PCSS and the activities of each of the Trustees in a manner consistent with the prudential controls of the *Superannuation Industry (Supervision) Act 1993* (SIS Act). These activities are in addition to other legislative obligations on the Trustees.
- remains committed to fully funding its superannuation liabilities measured in accordance with AASB 1056 *Superannuation Entities* (AASB 1056) by 2040.

The Trustees of the schemes:

- have a legal obligation to act solely in the best interests of fund beneficiaries.
- are responsible for administration of the fund and payment to the beneficiaries in accordance with the fund rules.
- are responsible for the management and investment of the fund assets.
- are responsible for compliance with other applicable regulations; and compliance with the Trust Deeds (Cbus).

Regulatory Framework

The SIS Act governs the superannuation industry and provides the framework within which superannuation plans operate. The *Superannuation Industry (Supervision) Regulations 1994* require an actuarial investigation to be performed for each defined benefit superannuation plan every three years, or every year if the plan pays defined benefit pensions, unless an exemption has been obtained. The State Sector Schemes[(a)(b)], PCSS[(b)(c)] and JPS[(b)(d)] have an actuarial investigation performed every three years. The last actuarial investigation performed was at 30 June 2021 for the State Sector Schemes, at 30 June 2023 for PCSS, and at 1 January 2024 for JPS. The next actuarial investigation for the State Sector Schemes will be performed as at 30 June 2024 and the results will be reflected in the 2024-25 financial statements. Cbus[(e)] actuarial investigations will be required annually for the time being. The first actuarial investigation under Cbus was performed as at 30 June 2023. The next investigation, performed as at 30 June 2024, is currently in progress and will be recorded in 2024-25.

(a) These Schemes are established and governed by the following NSW legislation: S*uperannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Act 1987*, and their associated regulations. The SAS Trustee Corporation (STC) is responsible for the governance of the State Sector Schemes.

(b) The State Sector Schemes, PCSS and JPS are exempt public sector superannuation schemes under the SIS Act. The SIS Act treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

(c) The Parliamentary Contributory Superannuation Scheme (PCSS) was established by and is governed by the *Parliamentary Contributory Superannuation Act 1971* and its associated regulations. The PCSS trustee is a statutory body comprising of two trustees from the Legislative Council, five trustees from the Legislative Assembly, and the Treasury Secretary (or Treasury official appointed in their absence).

(d) Judges' Pension Scheme (JPS), was established by and is governed by *Judges' Pensions Act 1953 No 41*. The JPS does not have a trustee.

(e) Cbus is regulated primarily by the SIS Act but is also subject to regulation under the *Superannuation Administration Act 1996 (NSW)*. Cbus' Trustee is United Super Pty Ltd.

Scheme Member Numbers

Scheme membership numbers are as follows:

General Government Sector	------- NSW Public Sector Superannuation Schemes ---------					
Member Numbers	SASS	SANCS	SSS	PSS	Other Schemes[(a)]	Total
For the 2023-24 Financial Year						
Contributors	8,007	8,612	365	245	150	**17,379**
Deferred Benefits	7,265	7,587	311	49	14	**15,226**
Pensioners	3,967	...	45,487	6,743	1,020	**57,217**
Pensions Fully Commuted	...	...	11,566	...	...	**11,566**
For the 2022-23 Financial Year						
Contributors	9,367	10,181	501	313	142	**20,504**
Deferred Benefits	7,908	8,280	364	60	14	**16,626**
Pensioners	3,971	...	46,110	6,757	1,056	**57,894**
Pensions Fully Commuted	...	...	12,084	...	...	**12,084**

(a) Other schemes are the Cbus, JPS and PCSS.

Total State Sector	------- NSW Public Sector Superannuation Schemes ---------					
Member Numbers	SASS	SANCS	SSS	PSS	Other Schemes[(a)]	Total
For the 2023-24 Financial Year						
Contributors	9,153	9,795	402	245	372	**19,967**
Deferred Benefits	7,265	7,587	347	49	14	**15,262**
Pensioners	4,771	0	47,634	6,743	1,148	**60,296**
Pensions Fully Commuted	...	...	12,366	...	...	**12,366**
For the 2022-23 Financial Year						
Contributors	10,694	11,561	554	313	381	**23,503**
Deferred Benefits	7,908	8,280	404	60	14	**16,666**
Pensioners	4,714	...	48,283	6,757	1,180	**60,934**
Pensions Fully Commuted	...	...	12,927	...	...	**12,927**

(a) Other schemes are the Cbus (EISS before 12 May 2023), JPS and PCSS.

Net Liability Recognised in the Consolidated Statement of Financial Position

The net liability recognised in the Consolidated Statement of Financial Position comprises the following Scheme net defined benefit obligation balances.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	1,797	1,719	1,799	1,720
Non-Current	36,336	39,959	37,442	41,247
	38,134	**41,678**	**39,241**	**42,967**
Net Liability Comprises:				
SASS				
Present Value of Defined Benefit Obligation	12,042	12,689	13,724	14,447
Plan Assets	(8,184)	(8,625)	(9,434)	(9,886)
Impact of Asset Ceiling	1	0	7	4
Net Liability	**3,859**	**4,064**	**4,297**	**4,565**
SANCS				
Present Value of Defined Benefit Obligation	1,798	1,872	1,929	2,018
Plan Assets	(1,165)	(1,226)	(1,277)	(1,333)
Net Liability	**633**	**646**	**654**	**685**
SSS				
Present Value of Defined Benefit Obligation	43,267	45,959	45,273	48,089
Plan Assets	(18,597)	(18,726)	(20,042)	(20,170)
Impact of Asset Ceiling	...	...	60	45
Net Liability	**24,670**	**27,233**	**25,291**	**27,964**
PSS				
Present Value of Defined Benefit Obligation	12,381	13,140	12,381	13,140
Plan Assets	(4,918)	(4,844)	(4,918)	(4,843)
Net Liability	**7,463**	**8,296**	**7,463**	**8,296**
Other Schemes[(a)]				
Present Value of Defined Benefit Obligation	2,266	2,197	2,572	2,489
Plan Assets	(756)	(758)	(1,037)	(1,032)
Net Liability	**1,509**	**1,439**	**1,535**	**1,457**
Total				
Present Value of Defined Benefit Obligation[(b)]	71,753	75,857	75,881	80,182
Plan Assets	(33,621)	(34,179)	(36,708)	(37,264)
Impact of Asset Ceiling[(c)]	1	0	68	49
Total Net Liability	**38,134**	**41,678**	**39,241**	**42,967**

(a) Other schemes comprise of defined net benefit obligation balances of the PCSS, JPS and Cbus (EISS before 12 May 2023).

(b) The defined benefit obligation includes a contribution tax provision. This is calculated based on grossing up the deficit/(surplus) less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%. The JPS defined benefit obligation is projected from 1 Jan 2024 data (2023: from 2021 data).

(c) The Future Service Liability (FSL) used to determine if an asset ceiling limit should be imposed does not have to be recognised by the State in accordance with AASB 119.

The decrease in net liabilities over the 12 months to 30 June 2024 of $3,544 million (2022-23: $1,878 million decrease) for the GGS and $3,725 million (2022-23: $2,016 million decrease) for the TSS is largely as a result of the increase in the liability discount rate for the State Sector Schemes, PCSS, JPS and Cbus from 4.07 per cent to 4.36 per cent (2022-23: increase from 3.69 per cent to 4.07 per cent).

Reconciliation of the Net Defined Benefit Obligation

The movements in the net defined benefit obligation over the year are as follows:

General Government Sector

	Present Value of Obligation	Fair Value of Plan Assets	Total	Impact of Asset Ceiling	**Total Net Liability**
	$m	$m	$m	$m	$m
Balance at 1 July 2023	**75,857**	**(34,179)**	**41,678**	**0**	**41,678**
Current Service Cost	171	...	171	...	**171**
Net Interest Expense (Interest Expense/(Income))	2,995	(1,334)	1,661	0	**1,661**
Superannuation Interest Cost - Expenses from Transactions	3,167	(1,334)	1,832	0	**1,832**
Remeasurements:					
Actual Return on Fund Assets Excluding Interest Income	...	(1,064)	(1,064)	...	**(1,064)**
Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	2	...	2	...	**2**
Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	(2,071)	...	(2,071)	...	**(2,071)**
Actuarial (Gains)/Losses Arising from Liability Experience	(517)	...	(517)	...	**(517)**
Change in Asset Ceiling Excluding Interest Expense	...	...	...	1	**1**
Superannuation Recognised in Other Economic Flows - Other Comprehensive Income	(2,586)	(1,064)	(3,650)	1	**(3,649)**
(Gains)/Losses Arising from Settlements	...	...	...	...	**...**
Contributions:					
Employer Contributions	...	(1,722)	(1,722)	...	**(1,722)**
Contributions by Participants	83	(83)	...	...	**...**
Payments:					
Benefits Paid	(4,832)	4,832	...	...	**...**
Taxes, Premiums & Expenses Paid	70	(70)	...	...	**...**
Effects of Transfers In/Out Due to Business Combinations and Disposals	(5)	...	(5)	...	**(5)**
Balance at 30 June 2024	**71,753**	**(33,621)**	**38,132**	**1**	**38,134**

	Present Value of Obligation	Fair Value of Plan Assets	Total	Impact of Asset Ceiling	**Total Net Liability**
	$m	$m	$m	$m	$m
Balance at 1 July 2022	**77,964**	**(34,431)**	**43,533**	**21**	**43,556**
Current Service Cost	201	...	201	...	**201**
Net Interest Expense (Interest Expense/(Income))	2,797	(1,214)	1,582	1	**1,583**
Superannuation Interest Cost - Expenses from Transactions	2,997	(1,214)	1,783	1	**1,784**
Remeasurements:					
Actual Return on Fund Assets Excluding Interest Income	...	(1,863)	(1,863)	...	**(1,863)**
Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	...	...	...	...	**...**
Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	(1,306)	...	(1,306)	...	**(1,306)**
Actuarial (Gains)/Losses Arising from Liability Experience	822	...	822	...	**822**
Change in Asset Ceiling Excluding Interest Expense	...	...	...	(22)	**(22)**
Superannuation Recognised in Other Economic Flows - Other Comprehensive Income	(484)	(1,863)	(2,347)	(22)	**(2,369)**
(Gains)/Losses Arising from Settlements	...	...	...	...	**...**
Contributions:					
Employer Contributions	...	(1,264)	(1,264)	...	**(1,264)**
Contributions by Participants	97	(97)	...	...	**...**
Payments:					
Benefits Paid	(4,713)	4,713	...	...	**...**
Taxes, Premiums & Expenses Paid	23	(23)	...	...	**...**
Effects of Transfers In/Out Due to Business Combinations and Disposals	(29)	...	(29)	...	**(29)**
Balance at 30 June 2023	**75,857**	**(34,179)**	**41,678**	**0**	**41,678**

Total State Sector

	Present Value of Obligation	Fair Value of Plan Assets	Total	Impact of Asset Ceiling	**Total Net Liability**
	$m	$m	$m	$m	$m
Balance at 1 July 2023	**80,182**	**(37,264)**	**42,918**	**49**	**42,967**
Current Service Cost	195	...	195	...	**195**
Net Interest Expense (Interest Expense/(Income))	3,148	(1,455)	1,693	2	**1,695**
Superannuation Interest Cost - Expenses from Transactions	3,343	(1,455)	1,888	2	**1,890**
Remeasurements:					
Actual Return on Fund Assets Excluding Interest Income	...	(1,163)	(1,163)	...	**(1,163)**
Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	4	...	4	...	**4**
Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	(2,171)	...	(2,171)	...	**(2,171)**
Actuarial (Gains)/Losses Arising from Liability Experience	(517)	...	(517)	...	**(517)**
Change in Asset Ceiling Excluding Interest Expense	...	...	...	16	**16**
Superannuation Recognised in Other Economic Flows - Other Comprehensive Income	(2,687)	(1,163)	(3,850)	16	**(3,831)**
(Gains)/Losses Arising from Settlements	...	...	...	...	**...**
Contributions:					
Employer Contributions	...	(1,780)	(1,780)		**(1,780)**
Contributions by Participants	95	(95)	...	...	**...**
Payments:					
Benefits Paid	(5,127)	5,127	...	...	**...**
Taxes, Premiums & Expenses Paid	78	(78)	...	...	**...**
Effects of Transfers In/Out Due to Business Combinations and Disposals	(4)	...	(4)	...	**(4)**
Balance at 30 June 2024	**75,881**	**(36,708)**	**39,173**	**68**	**39,241**

	Present Value of Obligation	Fair Value of Plan Assets	Total	Impact of Asset Ceiling	**Total Net Liability**
	$m	$m	$m	$m	$m
Balance at 1 July 2022	**82,419**	**(37,500)**	**44,919**	**64**	**44,983**
Current Service Cost	225	...	225	...	**225**
Net Interest Expense (Interest Expense/(Income))	2,941	(1,323)	1,618	2	**1,621**
Superannuation Interest Cost - Expenses from Transactions	3,166	(1,323)	1,843	2	**1,845**
Remeasurements:					
Actual Return on Fund Assets Excluding Interest Income	...	(2,016)	(2,016)	...	**(2,016)**
Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	...	...	...	...	**...**
Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	(1,369)	...	(1,369)	...	**(1,369)**
Actuarial (Gains)/Losses Arising from Liability Experience	874	...	874	...	**874**
Change in Asset Ceiling Excluding Interest Expense	...	...	...	(17)	**(17)**
Superannuation Recognised in Other Economic Flows - Other Comprehensive Income	(495)	(2,016)	(2,511)	(17)	**(2,527)**
(Gains)/Losses Arising from Settlements	(10)	10	0	...	**0**
Contributions:					
Employer Contributions	...	(1,306)	(1,306)		**(1,306)**
Contributions by Participants	109	(109)	...	...	**...**
Payments:					
Benefits Paid	(4,997)	4,997	...	...	**...**
Taxes, Premiums & Expenses Paid	17	(17)	...	...	**...**
Effects of Transfers In/Out Due to Business Combinations and Disposals	(28)	...	(28)	...	**(28)**
Balance at 30 June 2023	**80,182**	**(37,264)**	**42,918**	**49**	**42,967**

Significant Actuarial Assumptions

The significant defined benefit liability actuarial assumptions at the reporting dates are as per the following table.

Significant Actuarial Assumptions	At 30 June 2024 State Sector Schemes, JPS, PCSS	At 30 June 2024 Cbus	At 30 June 2023 State Sector Schemes, JPS, PCSS	At 30 June 2023 Cbus
Discount Rate	4.36% pa	4.36% pa	4.07% pa	4.07% pa
CPI Growth Rate	4.25% pa[(a)]	4.25% pa[(b)]	6.65% pa[(e)]	6.65% pa[(f)]
Salary Growth Rate	4.56% pa[(c)]	5.00% pa[(d)]	5.74% pa[(g)]	3.00% pa[(h)]
Pensioner Mortality Rate	As per the 2021 actuarial investigation for State Super Schemes, as per 2023 triennial valuation for JPS, as per 2024 triennial actuarial valuation for PCSS. For Cbus, Mercer standard pensioner mortality tables have been used. These rates are based on the mortality experience of Australian Public Sector pensioners over the years 2012 to 2017, including improvement rates based on Australian Life Tables 2015-17.		As per the 2021 actuarial investigation for State Super Schemes, as per 2021 triennial valuation for JPS, as per 2020 triennial actuarial valuation for PCSS, the actuarial investigation as at 30 June 2021 for Cbus (EISS before 12 May 2023)[(i)].	

(a) Rate of CPI increase for State Sector Schemes are 4.25% for 2023-24; 3.00% for 2024-25; 2.75% for 2025-26; 2.50% pa thereafter.
(b) Rate of CPI increase for Cbus are 4.25% for 2023-24; 3.00% for 2024-25; 2.75% for 2025-26; 2.50% pa thereafter.
(c) Salary Increase rate (excluding promotional increases) for State Sector Schemes are 4.56% for 2024-25; 3.80% 2025-26; 3.78% 2026-27; 3.80% 2027-28; 3.70% pa thereafter. JPS & PCSS are 0% for 2024-25; 3.80% for 2025-26; 3.78% for 2026-27; 3.80% for 2027-28; 3.70% pa thereafter.
(d) Salary Increase rate (excluding promotional increases) for Cbus is for Essential Energy only and is 5.00% for 2024-25; 4.00% for 2025-26; 3.50% for 2026-27; 2.66% pa thereafter.
(e) Rate of CPI increase for State Sector Schemes are 6.65% for 2022-23; 4.75% for 2023-24; 3.00% for 2024-25; 2.75% for 2025-26; 2.50% pa thereafter.
(f) Rate of CPI increase for Cbus are 6.65% for 2023-24; 3.50% for 2024-25; 3.00% for 2025-26; 2.50% pa thereafter.
(g) Salary Increase rate (excluding promotional increases) for State Sector Schemes are 5.74% for 2023-24, except for JPS & PCSS at 0%; 3.65% for 2024-25, except JPS & PCSS at 0%; 3.20% for 2025-26, except PCSS at 2.74%; 3.20% thereafter.
(h) Salary Increase rate (excluding promotional increases) for Cbus is for Essential Energy only and is 3.00% for 2023-24; 2.50% pa thereafter.
(i) The former EISS Scheme had previously received an APRA exemption from annual actuarial investigations. However under Cbus, actuarial investigations will be required annually for the time being. The most recent EISS investigation was performed as at 30 June 2023.

Sensitivity Analysis

Information on sensitivities provides a guide to how increased volatility could affect the defined benefit obligation.

The defined benefit obligation for the TSS is presented below under several scenarios. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2024.

Scenarios A to F relate to sensitivity of the total gross defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

30 June 2024	Base Case	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E	Scenario F	Scenario G	Scenario H
		-0.5% Discount Rate	+0.5% Discount Rate	+0.5% rate of CPI increase	-0.5% rate of CPI increase	+0.5% Salary Increase Rate	-0.5% Salary Increase Rate	Lower Pensioner Mortality Rates	Higher Pensioner Mortality Rates
	$m	$m	$m	$m	$m	$m	$m	$m	$m
Gross Defined Benefit Obligation Value									
State Sector Schemes[(a)]	73,306	76,953	69,953	76,918	69,963	73,453	73,163	75,639	70,986
Other Schemes[(b)(c)(d)(e)]	2,572	2,735	2,424	865	798	2,696	2,457	2,732	2,418

(a) For State Sector Schemes, the lower mortality demographic assumption sensitivity assumes mortality rates, including future improvements, are as if the pensioner were 1 year younger than actual. The higher mortality demographic assumption sensitivity assumes mortality rates, including future improvements, are as if the pensioner were 1 year older than actual.
(b) Other Schemes comprise Cbus, JPS and PCSS.
(c) For Cbus, the lower mortality demographic assumption sensitivity assumes mortality rates, including future improvements, are as if the pensioner were 3 years younger than actual. The higher mortality demographic assumption sensitivity assumes mortality rates, including future improvements, are as if the pensioner were 3 years older than actual.
(d) For JPS and PCSS, the lower mortality demographic assumption sensitivity assumes a 10 per cent decrease in pensioner mortality rates. The higher mortality demographic assumption sensitivity assumes a 10 per cent increase in pensioner mortality rates.
(e) CPI sensitivity analysis information is not available for JPS and PCSS.

30 June 2023	Base Case	Scenario A -0.5% Discount Rate[a]	Scenario B +0.5% Discount Rate[a]	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase	Scenario E +0.5% Salary Increase Rate	Scenario F -0.5% Salary Increase Rate	Scenario G Lower Pensioner Mortality Rates	Scenario H Higher Pensioner Mortality Rates
	$m	$m	$m	$m	$m	$m	$m	$m	$m
Gross Defined Benefit Obligation Value									
State Sector Schemes[a]	77,693	81,755	73,969	81,678	74,014	77,867	77,523	78,612	76,988
Other Schemes[b][c][d][e]	2,489	2,656	2,339	860	788	2,609	2,378	2,570	2,422

(a) For State Sector Schemes, the lower mortality demographic assumption sensitivity assumes that the short term pensioner mortality improvement factors for years 2023-2026 also apply for years after 2026. The higher mortality demographic assumption sensitivity assumes that long term pensioner mortality improvement factors for years post 2026 also apply for the years 2023 to 2026.
(b) Other Schemes comprise Cbus (EISS before 12 May 2023), JPS and PCSS.
(c) For Cbus, the lower mortality demographic assumption sensitivity assumes that the short term pensioner mortality improvement factors for years 2021 to 2027 (2021-22: years 2021 to 2027) also apply for years after 2027 (2021-22: years after 2027). The higher mortality demographic assumption sensitivity assumes that long term pensioner mortality improvement factors for years post 2027 (2021-22: years post 2027) also apply for years 2021 to 2027 (2021-22: years 2021 to 2027).
(d) For JPS and PCSS, the lower pensioner mortality sensitivity assumes a 10 per cent decrease in pensioner mortality rates. The higher pensioner mortality sensitivity assumes a 10 per cent increase in pensioner mortality rates.
(e) CPI sensitivity analysis information is not available for JPS and PCSS.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit net liability recognised in the Consolidated Statement of Financial Position.

Fair Value of Fund Assets

The major categories of plan assets for the State Sector Schemes are as follows:

	2023-24				2022-23			
Asset Category	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
	$m	$m	$m		$m	$m	$m	
Short Term Securities	2,285	208	**2,493**	**6.7 %**	2,896	2,434	**5,331**	**14.3 %**
Australian Fixed Interest	...	92	**92**	**0.2 %**	...	100	**100**	**0.3 %**
International Fixed Interest	...	1,027	**1,027**	**2.8 %**	0	1,301	**1,301**	**3.5 %**
Australian Equities	4,491	1,545	**6,036**	**16.3 %**	4,353	5,326	**9,678**	**25.9 %**
International Equities	14,705	145	**14,850**	**40.1 %**	13,943	195	**14,138**	**37.8 %**
Property	...	2,101	**2,101**	**5.7 %**	...	770	**770**	**2.1 %**
Alternatives	3	10,457	**10,460**	**28.2 %**	0	6,059	**6,059**	**16.2 %**
Total[a]	**21,484**	**15,574**	**37,058**	**100.0 %**	**21,192**	**16,185**	**37,377**	**100.0 %**

(a) Additional to the assets disclosed above, at 30 June 2024 the State Sector Schemes Pooled Fund has provisions for receivables / (payables) estimated to be around $670 million (2023: $780 million). This gives total estimated assets of around $37,720 million (2023: $38,150 million). The total includes assets for schemes outside NSW Government.

The State Sector Schemes' assets are invested at arm's length through independent fund managers and have a diversified asset mix. The assets of the State Sector Schemes are pooled together in the Pooled Fund and are not separately invested for each entity. It is therefore not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the table above relate to total assets of the Pooled Fund. The fair value of the Pooled Fund assets as at 30 June 2024 includes nil (2023: nil) in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of $285 million (2023: $338 million).
- Health Administration Corporation previously occupied part of a property 50% owned by the Pooled Fund. The Corporation vacated this property prior to 30 June 2024 (2023: $570 million).

The major categories of plan assets for Cbus (EISS before 12 May 2023) are as follows:

Asset Category	2023-24 Quoted $m	Unquoted $m	Total $m	in %	2022-23 Quoted $m	Unquoted $m	Total $m	in %
Australian Equities	...	309	**309**	**17.3 %**	...	251	**251**	**14.0 %**
International Equities	...	400	**400**	**22.4 %**	...	413	**413**	**23.0 %**
Property	...	189	**189**	**10.6 %**	...	287	**287**	**16.0 %**
Private Equity	...	...	**...**	**...**	...	54	**54**	**3.0 %**
Infrastructure	...	235	**235**	**13.1 %**	...	179	**179**	**10.0 %**
Alternatives	...	135	**135**	**7.6 %**	...	233	**233**	**13.0 %**
Fixed Income	...	398	**398**	**22.2 %**	...	192	**192**	**11.0 %**
Cash	...	124	**124**	**6.9 %**	...	179	**179**	**10.0 %**
Total	**...**	**1,789**	**1,789**	**100.0 %**	**...**	**1,789**	**1,789**	**100.0 %**

The fair value of Cbus plan assets includes no amounts relating to any of the State's own financial instruments, or any property occupied by, or other assets used by, the State.

There are no assets in the JPS at 30 June 2024 and 2023. The State makes regular contributions to meet the scheme's obligations. For PCSS the asset categories split was not available at 30 June 2024 and 2023.

Description of the Risks Arising from the Schemes

There are a number of risks arising from the schemes. The more significant risks are:

Risk Description	
Investment risk	The risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall.
Longevity risk	The risk that pensioners live longer than assumed, increasing future pensions.
Pension indexation risk	The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
Salary growth risk	The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
Legislative risk	The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The major potential for volatility arises from movements in the fair value of plan assets and the risk-free rate which is used to discount defined benefit obligations.

Plan assets are invested with independent fund managers and have a diversified asset mix. The Schemes do not have significant concentrations of investment risk or liquidity risk.

For State Sector Schemes, the Trustee monitors asset-liability risk continuously in setting its investment strategy. It also monitors cash flows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Derivative instruments may be used by investment managers in the management of the portfolio but must not be used for speculative purposes, investment portfolio gearing or to create net short positions.

Valuation under AASB 1056

The following is a summary of the 30 June financial position of the State's defined benefit superannuation schemes calculated in accordance with AASB 1056.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Accrued Benefits	54,019	54,296	57,294	57,596
Net Market Value of Fund assets	(33,621)	(34,179)	(36,708)	(37,264)
Net (Surplus)/Deficit	**20,398**	**20,117**	**20,586**	**20,332**

The primary difference between the net deficit calculated in accordance with AASB 1056 compared with AASB 119 (and brought to account in the GGS and TSS Consolidated Statement of Financial Position) is that the accrued benefits discount rate is based on the more volatile and currently significantly lower 30 June long-term Commonwealth government bond rate for the AASB 119 calculation, whereas the AASB 1056 calculation uses a less volatile long-term earnings rate. As the current long-term earning rate exceeds the Commonwealth government bond rate by a large margin, liabilities valued under AASB 1056 are significantly lower than liabilities valued under AASB 119.

Economic assumptions adopted for the AASB 1056 valuation are as follows:

	At 30 June 2024		At 30 June 2023	
	State Sector Schemes	Cbus	State Sector Schemes	Cbus
Expected Rate of Return on Assets Backing Current Pension Liabilities	7.00% pa	5.90% pa	7.00% pa	6.15% pa
Expected Rate of Return on Assets Backing Other Liabilities	6.20% pa	5.90% pa	6.20% pa	6.10% pa
Expected Salary Increase Rate	4.56% pa[(a)]	3.30% pa[(b)]	4.45% pa[(d)]	3.00% pa[(e)]
Expected Rate of CPI Increase	3.70% pa[(c)]	3.50% pa	6.65% pa[(f)]	2.50% pa

(a) State Sector Schemes salary increase rate for 2024-25 is 4.56%; 3.80% for 2025-26; 3.78% for 2026-27; 3.80% for 2027-28; 3.70% pa thereafter.
(b) Cbus (for Essential Energy only) salary increase rate for 2024-25 is 3.30%; 3.40% for 2025-26, 3.50% pa thereafter.
(c) State Sector Schemes CPI increase rate for 2023-24 is 3.70%; 2.50% pa thereafter.
(d) State Sector Schemes salary increase rate for 2023-24 is 4.45%; 2.95% for 2024-25; 2.74% for 2025-26; 3.20% pa thereafter.
(e) Cbus (for Essential Energy only) salary increase rate for 2023-24 and 2024-25 is 3.00%; 2.50% pa thereafter.
(f) State Sector Schemes CPI increase rate for 2022-23 is 6.65%; 3.50% for 2023-24; 3.00% for 2024-25; 2.50% pa thereafter.

The assumptions for CPI, salary and demographics are broadly the same under both AASB 119 and AASB 1056. Therefore, separate sensitivities are not included for the AASB 1056 measurement of the accrued benefits. Whilst the underlying liability amounts for AASB 1056 are lower than for AASB 119, the sensitivity of results under AASB 119 gives an indication to the directional and proportional impact of the changes in these assumptions.

The one assumption that differs substantially under the two standards is the expected rate of return on the fund assets (discount rate). Due to this variation and the potential for material variation in the rate of return on fund assets in current financial conditions, the sensitivities to this assumption for the AASB 1056 measured accrued benefits for the TSS is provided in the table below.

	At 30 June 2024			At 30 June 2023		
	Base Case	Scenario A -0.5% Discount Rate	Scenario B +0.5% Discount Rate	Base Case	Scenario A -0.5% Discount Rate	Scenario B +0.5% Discount Rate
	$m	$m	$m	$m	$m	$m
Defined Benefit Obligation Value						
State Sector Schemes	55,368	57,492	53,399	55,734	57,860	53,763
Other Schemes[(a)]	1,925	2,030	1,828	1,862	1,957	1,774

(a) Other schemes comprise Cbus (EISS before 12 May 2023), JPS and PCSS.

Funding Levels

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial investigation. Funding positions are reviewed annually, and funding arrangements may be adjusted as required after each annual review. Contribution rates are set after discussions between the employer, Trustees and the State.

The State makes regular contributions for the JPS to meet the scheme's obligations as it holds no assets.

The method used to determine the employer contribution recommendations at last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the costs to the State. Employer contributions rates are determined so that sufficient assets will be available to meet benefit payments to existing members considering the current value of assets, future contributions and the maturity profile of the funds.

The table below summarises the expected contributions to each plan for the next annual reporting period and the maturity profile of the defined benefit obligation of the plans.

	Expected Contributions	Maturity Profile		Recommended Contribution Rates
	2024-25	2023-24	2022-23	
	$m	Years	Years	
SASS	268	10.0	10.3	multiple of member contributions
SANCS	64	10.0	10.3	% member salary
SSS	1,142	10.0	10.3	multiple of member contributions
PSS	335	10.0	10.3	% of member salary
PCSS	...	13.0	13.0	multiple of member contributions
JPS	56	14.0	14.0	% member salary
Cbus	3	9.5	10.5	multiple of member contributions / % of member salary

The NSW Government's commitment under the *Fiscal Responsibility Act 2012* to fully fund the State Sector Schemes is measured in accordance with AASB 1056.

Note 26: Other Provisions

Other Provisions

Other provisions exist when:

- the State 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.

If the effect of the time value of money is material, provisions are discounted at 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 unwinding of the discount rate in the current period is recognised as interest expense in expenses from transactions. The impact of any discount rate changes on the provisions at the end of the period, due to the revaluation of future liabilities, is recognised in other economic flows included in the operating result.

In regard to outstanding claims, the liabilities are measured as the present value of the expected future payments, including claims incurred but not yet reported. Expected future payments are estimated on the basis of the ultimate cost of settling claims.

The amount and timing of the actual outflows in relation to the above provisions have a degree of uncertainty. Actual results may depend on a number of factors specific to the type of claim, for example, future economic and environmental conditions may be different to those assumed.

Actuarial gains and losses resulting from changes in measurement assumptions are recognised as part of other economic flows – included in the operating result. The other components of the expense are recognised in expenses from transactions.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current[(a)]	5,593	5,284	6,186	5,843
Non-Current	12,837	11,944	21,655	20,252
	18,430	**17,229**	**27,841**	**26,095**
Other Provisions Comprise:				
Outstanding Claims:				
Self Insurance Corporation (Excluding Self Funded Worker's Compensation[(b)])	9,293	8,531	9,293	8,531
Workers' Compensation (Dust Diseases)	2,040	1,939	2,040	1,939
Lifetime Care And Support Scheme	...	...	9,018	8,478
State Insurance Regulatory Authority	490	343	490	343
Victims Support Scheme	493	406	493	406
Long Service Corporation Schemes	1,831	1,645	1,831	1,645
NSW Share of University Superannuation	926	988	926	988
Provision for Land Remediation, Restoration Costs and Other Claims[(a)]	3,355	3,377	3,748	3,766
	18,430	**17,229**	**27,841**	**26,095**
Insurance Recoveries Receivable Include those Accrued by[(c)]:				
Self Insurance Corporation - for Reinsurance and Other Recoveries Receivable	889	617	889	617
Workers' Compensation (Dust Diseases) Authority - Insurance Levies Accrued	967	835	967	835
	1,856	**1,452**	**1,856**	**1,452**

(a) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.
(b) Refer to Note 24: Employee Benefits Liabilities.
(c) Refer to Note 6: Receivables.

- The provision for Self Insurance Corporation (excluding self-funded worker's compensation) exists to provide self-insurance coverage for GGS agencies and SOCs under the *NSW Self Insurance Corporation Act 2004*. The liabilities for these outstanding claims are measured as the present value of the expected future payments. The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors such as normal inflation and 'superimposed inflation' (refers to inflation above normal inflation, including factors such as trends in court awards). This provision is actuarially assessed in consultation with the claims managers of 'NSW Self Insurance Corporation' (SICorp) at each 30 June. The discount rate used is based on Commonwealth government bond yields. The provision comprises outstanding claims from the:
  - NSW Treasury Managed Fund (TMF). This is a self-insurance scheme which protects the insurable assets and exposures of all public hospitals, all public sector agencies that are financially dependent on the Consolidated Fund, and various other statutory authorities.
  - Pre-Managed Fund Reserve (PMF). This is used to fund claims incurred by the NSW Government, prior to 1 July 1989, which were previously in the Fire Risks Account, the Fidelity Fund and the Public Liability Fund.
  - Governmental Workers Compensation Account (GWC). This is used to fund outstanding workers compensation claims liabilities as at 30 June 1989.
  - Transport Accidents Compensation Fund (TAC). This is used to fund motor transport accident claims until 30 June 1987 and TransCover system claims costs from 1 July 1987 to 30 June 1989. This was replaced as of 1 July 1989 by the Motor Accidents Scheme.

  Key actuarial assumptions adopted for the provision for outstanding claims in SICorp (excluding worker's compensation) are:

	TMF		PMF		GWC		TAC	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	%	%	%	%	%	%	%	%
Not Later Than One Year								
Inflation Rate	2.58 - 4.84	3.69-5.54	3.85 - 4.84	4.59-5.54	3.44 - 4.17	3.58-5.04	3.85 - 4.84	4.59-5.54
Discount Rate	4.29 - 4.43	4.23-4.43	4.29 - 4.43	4.23-4.43	4.37	4.36	4.29 - 4.43	4.23-4.43
Superimposed Inflation[(a)]	0.00 - 3.00	1.50-3.00	2.00	2.00	0.00-1.75	0.00-1.75	2.00	2.00
Later Than One Year								
Inflation Rate	2.45 - 4.15	2.42-4.17	3.32 - 4.15	3.21-4.17	3.00 - 4.15	2.93-3.95	3.32 - 4.15	3.21-4.17
Discount Rate	3.91 - 5.29	3.78-4.95	3.91 - 5.29	3.78-4.95	3.92 - 5.29	3.79-4.95	3.91 - 5.29	3.78-4.95
Superimposed Inflation[(a)]	0.00 - 3.00	0.00-3.00	2.00	2.00	0.00-1.75	0.00-1.75	2.00	2.00

(a) Dependent on payment type.

- The provision for Workers' Compensation (Dust Diseases) covers claims to workers in New South Wales who develop a dust disease from occupational exposure to dust. The Workers' Compensation (Dust Diseases) Authority provides a no-fault compensation scheme to victims under the *Workers' Compensation (Dust Diseases) Act 1942*. As at 30 June 2024, this liability was actuarially assessed by the agency's consulting actuaries.
- The provision for Lifetime Care and Support covers the care and support services for persons catastrophically injured from motor accidents in New South Wales, regardless of who was at fault in the accident, as per the *Motor Accidents (Lifetime Care and Support) Act 2006*. As at 30 June 2024, this liability was actuarially assessed by the agency's consulting actuaries.
- The provision for State Insurance Regulatory Authority covers claims assumed by the State from some failed insurance companies. The liabilities cover claims incurred but not yet paid, incurred but not yet reported and the anticipated fund management fees in respect of the management of those claims. As at 30 June 2024, liabilities for compensation payments and estimated compensation for future claims were actuarially assessed by the agency's consulting actuaries.
- The provision for Long Service Corporation Schemes include the provisions for long service leave levies to be paid under the *Building and Construction Industry Long Service Payments Act 1986* and the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010*. As at 30 June 2024, this liability was actuarially assessed by the agency's consulting actuaries.

- A provision exists for the Victims' Support Scheme (VSS), which was created on 3 June 2013 through legislation known as the *Victims' Rights and Support Act 2013*. This Act replaced the Victims' Compensation Scheme (VCS), legislated through the *Victims' Support and Rehabilitation Act 1996*, and was closed to new applications for support on 7 May 2013. The VSS provides victims of violent crime, upon application after 7 May 2013 and within an eligibility period of 2 to 10 years from the date of the occurrence of a violent act of crime, support in the form counselling services, financial assistance and recognition payments. Violent acts can include assault, sexual assault, child sexual assault, domestic violence, robbery, homicide and other eligible violent acts.

  The Department of Communities and Justice has obtained actuarial advice from an independent actuary to determine a liability provision as at 30 June 2024 in respect to Lodged But Unresolved Claims (for all offences) and Incurred But Not Reported (IBNR) claims with respect to domestic violence, sexual assault (adult), assault, robbery, homicide and other offences. However, no provision has been made in the financial statements for any IBNR claims in relation to child sexual assault as the amount attributable for IBNR claims in relation to child sexual assault are unable to be reliably estimated by the actuary due to a range of key uncertainties (refer to Note 31: Contingent Liabilities and Contingent Assets).
- A provision for universities' superannuation has been recognised for the funding of staff from NSW universities who are members of defined benefit State Sector Schemes (SASS, SANCS and SSS) pursuant to a memorandum of understanding in December 2014. As at 30 June 2024, this liability for universities' superannuation was actuarially assessed by the agency's consulting actuaries.
- Provision for land remediation, restoration costs and other claims include:
  – provisions for other insurance claims mainly related to Home Building Compensation Fund scheme and unexpired risk liability based on a liability adequacy test under AASB 1023 *General Insurance Contracts*,
  – remediation and restoration costs for make-good restoration on leased properties, an asset after its use and contaminated lands, and
  – all other provisions such as state's contribution to Commonwealth redress scheme, external grant payments for natural disaster recovery, biodiversity developers' payments offset obligations and payment obligation related to capital projects.

  Key actuarial assumptions adopted for other Schemes are as follows:

Scheme	Discount Rate %		Inflation Rate %	
	2023-24	2022-23	2023-24	2022-23
Claims expected to be paid not later than one year				
Workers' Compensation (Dust Diseases)	4.37	4.36	3.44	3.58
Lifetime Care and Support	4.29-4.43	4.23-4.43	3.25-3.81	3.50-3.61
State Insurance Regulatory Authority	4.02	4.32	3.40	5.12
Long Service Corporation Schemes	4.00-4.20	4.00	3.50-4.50	4.00-5.00
NSW Share of University Superannuation[(a)]	4.36	4.07	3.00	4.75
Provision for Land Remediation, Restoration Costs and Other Claims	3.89-4.57	3.92-4.70	3.53-4.35	4.37-5.53
Claims expected to be paid later than one year				
Workers' Compensation (Dust Diseases)	3.92-5.29	3.79-4.95	3.00-3.65	2.93-3.45
Lifetime Care and Support	3.91-5.29	3.78-4.95	2.99-3.65	2.92-3.45
State Insurance Regulatory Authority	3.95-5.21	3.75-4.79	3.00-3.66	3.07-3.50
Long Service Corporation Schemes	4.00-4.20	4.00	3.50-4.50	4.00-5.00
NSW Share of University Superannuation[(a)]	4.36	4.07	2.50-2.75	2.50-3.00
Provision for Land Remediation, Restoration Costs and Other Claims	3.89-5.29	3.78-4.95	3.12-3.90	3.04-3.93

(a) The NSW Share of University Superannuation scheme's inflation rate is based on the rate of CPI increase as disclosed in The Treasury's financial statements.

The discount rate for each scheme reflects current market assessments of the time value of money, and the risks specific to the liability.

General Government Sector

2023-24 Movement in Other Provisions

	Carrying Amount 1 July 2023	Additional Provisions	Amounts Used	Unused Amounts Reversed	Actuarial (Gain) / Loss	Unwinding / Change In Discount Rate	Carrying Amount 30 June 2024
	$m	$m	$m	$m	$m	$m	$m
Outstanding claims:							
Self Insurance Corporation (excluding Workers Compensation)	8,531	1,359	(1,523)	...	610	316	**9,293**
Workers' Compensation (Dust Diseases)	1,939	...	(160)	...	181	80	**2,040**
State Insurance Regulatory Authority	343	190	(72)	...	19	10	**490**
Victims Support Scheme	406	146	(64)	0	(9)	15	**493**
Long Service Corporation	1,645	200	(116)	...	68	33	**1,831**
NSW Share of University Superannuation	988	...	(84)	...	(16)	38	**926**
Land Remediation, Restorations and Other Claims	3,377	962	(994)	(90)	34	67	**3,355**
Total Other Provisions	**17,229**	**2,857**	**(3,013)**	**(90)**	**887**	**559**	**18,430**

2022-23 Movement in Other Provisions

	Carrying Amount 1 July 2022	Additional Provisions	Amounts Used	Unused Amounts Reversed	Actuarial (Gain) / Loss	Unwinding / Change In Discount Rate	Carrying Amount 30 June 2023
	$m	$m	$m	$m	$m	$m	$m
Outstanding claims:							
Self Insurance Corporation (excluding Workers Compensation)	7,680	1,128	(1,465)	...	1,036	153	**8,531**
Workers' Compensation (Dust Diseases)	2,035	...	(153)	...	14	43	**1,939**
State Insurance Regulatory Authority	275	94	(69)	...	40	2	**343**
Victims Support Scheme	392	130	(63)	0	0	(52)	**406**
Long Service Corporation	1,593	107	(122)	...	11	55	**1,645**
NSW Share of University Superannuation	1,027	...	(64)	...	(12)	37	**988**
Land Remediation, Restorations and Other Claims	2,352	1,677	(725)	(56)	94	34	**3,377**
Total Other Provisions	**15,355**	**3,137**	**(2,662)**	**(56)**	**1,182**	**273**	**17,229**

Total State Sector

2023-24 Movement in Other Provisions

	Carrying Amount 1 July 2023	Additional Provisions	Amounts Used	Unused Amounts Reversed	Actuarial (Gain) / Loss	Unwinding / Change In Discount Rate	Carrying Amount 30 June 2024
	$m	$m	$m	$m	$m	$m	$m
Outstanding claims:							
Self Insurance Corporation (excluding Workers Compensation)	8,531	1,359	(1,523)	...	610	316	**9,293**
Workers' Compensation (Dust Diseases)	1,939	...	(160)	...	181	80	**2,040**
Lifetime Care and Support Scheme	8,478	807	(305)	...	(324)	363	**9,018**
State Insurance Regulatory Authority	343	190	(72)	...	19	10	**490**
Victims Support Scheme	406	146	(64)	0	(9)	15	**493**
Long Service Corporation	1,645	200	(116)	...	68	33	**1,831**
NSW Share of University Superannuation	988	...	(84)	...	(16)	38	**926**
Land Remediation, Restorations and Other Claims	3,766	1,076	(1,091)	(107)	34	69	**3,748**
Total Other Provisions	**26,095**	**3,778**	**(3,414)**	**(107)**	**564**	**924**	**27,841**

2022-23 Movement in Other Provisions

	Carrying Amount 1 July 2022	Additional Provisions	Amounts Used	Unused Amounts Reversed	Actuarial (Gain) / Loss	Unwinding / Change In Discount Rate	Carrying Amount 30 June 2023
	$m	$m	$m	$m	$m	$m	$m
Outstanding claims:							
Self Insurance Corporation (excluding Workers Compensation)	7,680	1,128	(1,465)	...	1,036	153	**8,531**
Workers' Compensation (Dust Diseases)	2,035	...	(153)	...	14	43	**1,939**
Lifetime Care and Support Scheme	7,681	666	(268)	...	220	180	**8,478**
State Insurance Regulatory Authority	275	94	(69)	...	40	2	**343**
Victims Support Scheme	392	130	(63)	0	0	(52)	**406**
Long Service Corporation	1,593	107	(122)	...	11	55	**1,645**
NSW Share of University Superannuation	1,027	...	(64)	...	(12)	37	**988**
Land Remediation, Restorations and Other Claims	2,696	1,842	(815)	(89)	94	37	**3,766**
Total Other Provisions	**23,380**	**3,967**	**(3,020)**	**(89)**	**1,402**	**454**	**26,095**

Note 27: Other Liabilities

Other Liabilities

Grant of right to operate (GORTO) liabilities

GORTO liabilities are recognised for service concession arrangements where the State grants to operators the right to earn revenue from third-party users or access to another revenue-generating asset. Liabilities are recognised for the unearned portion of the revenue arising from the exchange of assets between the State and the operator. These liabilities are reduced, with revenue recognised according to the economic substance of the relevant service concession arrangement. Refer to Note 15: Property, Plant and Equipment for further information on service concession arrangements.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the State

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the State are initially recognised at the fair value of the consideration received and are either subsequently amortised over time as the non-financial assets are being constructed, or at a point of time when non-financial assets are acquired. Refer to Note 2: Revenue for further details.

Other liabilities

Other liabilities in the TSS are comprised primarily of the interests in TCorpIM Funds of investors that are not controlled by the State, such as universities, local government authorities, and the Workers Compensation Nominal Insurer. These interests represent units redeemable at the option of these investors and are classified as financial liabilities. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the reporting date if these investors exercised their right to put the units back to the funds.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Current	1,822	1,841	20,724	18,394
Non-Current	19,446	19,763	19,475	19,846
	21,268	**21,603**	**40,199**	**38,239**
Other Liabilities Comprise:				
GORTO Liabilities Under Service Concessions	18,993	19,409	18,993	19,409
Liabilities Under Transfers to Acquire or Construct Non-Financial Assets to Be Controlled by the State	293	292	293	292
Other Deferred Revenues[(a)]	1,643	1,542	1,899	1,782
Other[(b)]	338	361	19,014	16,757
	21,268	**21,603**	**40,199**	**38,239**

(a) Other deferred revenues include amounts for lease receipts in advance of $324 million (2023: $344 million) in relation to Central Barangaroo.

(b) Other liabilities of the TSS include interests in TCorpIM Funds of investors that are not controlled by the State of $18,652 million (2023: $16,488 million).

Reconciliation of Financial Assets and Corresponding Liabilities Under Transfers to Acquire or Construct Non-Financial Assets to Be Controlled by the State

A reconciliation of financial assets and corresponding liabilities under transfers to acquire or construct non-financial assets to be controlled by the State is provided below for the current reporting period.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Opening Balance at 1 July	292	650	292	650
Receipt of Cash During the Year	3,158	2,031	3,158	2,031
Income Recognised During the Year	(3,196)	(2,389)	(3,196)	(2,389)
Other Adjustments	39	...	39	...
Closing Balance at 30 June	**293**	**292**	**293**	**292**

The State expects to recognise income for unsatisfied obligations associated with liabilities under transfers to acquire or construct non-financial assets to be controlled by the State in future reporting periods as detailed in the table below.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Financial Year which Income will be Recognised				
Within One Year	139	224	139	224
Later Than One Year	153	68	153	68
Total	**293**	**292**	**293**	**292**

Refer to Note 2: Revenue for a description of the State’s obligations under transfers received to acquire or construct non-financial assets to be controlled by the State.

Note 28: Financial Instruments

The principal financial instruments of the State are outlined below. These financial instruments arise directly from the State's operations or are used to finance the State's operations.

The note reports on the main risks as they affect the State's financial instruments classified into:

- credit risk, which affects financial assets;
- liquidity risk, which affects financial liabilities; and
- market risk, which affects financial assets and liabilities because of changes in market prices.

A reference to 'financial instruments' in this note excludes prepayments and statutory receivables/payables not within the scope of AASB 7 *Financial Instruments: Disclosures*.

Risk Management Framework

The Treasury, acting for the Treasurer, has overall responsibility for the establishment and oversight of risk management guidelines for the NSW public sector. This includes establishing Treasury Management Policy to strengthen the framework for managing risks associated with public sector agency treasury functions, including borrowings, cash, investments, derivatives, debt and investment management.

As part of this framework, the Treasury administers the GSF Act which is the sole source of legal power for government authorities to enter into financial arrangements.

Under this Act, the Treasurer is given responsibility for exercising a central supervisory role in respect of the investment and liability management activities of authorities to ensure that the NSW public sector's financial risks and exposures are known, properly assessed and prudently managed. This role is affected through the requirement to have borrowing, investment and associated activities of each authority approved by the Treasurer.

TCorp is the State's central borrowing and investing authority. TCorp holds a level of investments for liquidity management purposes and, as the State's central investing authority, manages the majority of the State's investments. Bondholders include local and overseas individuals and financial institutions. TCorp manages credit risk associated with its financial assets through the selection of counterparties, establishment of minimum credit rating criteria and monitoring of credit utilisation against limits. Government agencies typically set debt / investment strategies which are then delegated to TCorp to execute on their behalf.

The State also holds borrowings that have not been made through TCorp but were made directly by individual State agencies under the authority of GSF Act. This includes lease liabilities.

The NSW Government Asset and Liability Committee has been established to advise the Treasury Secretary and Government regarding State Significant Financial Risks (SSFRs). SSFRs are financial risks which have the potential to materially impact one or more of the following:

- the State's triple-A credit rating with Moody's, double-A plus credit rating with Standard and Poor's, and triple-A credit rating with Fitch;
- the State's reputation; and
- the financial capacity of the State to carry out its commitments.

Accounting Classifications and Fair Values

Financial Assets - Recognition and Initial Measurement

Financial assets are initially recognised when the State becomes a party to the contractual provisions of the instrument. Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All other financial assets are initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

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.

Financial Assets - Classification and Subsequent Measurement

Financial assets of the State are classified at initial recognition under AASB 9 as either measured at:

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are classified and measured at amortised cost if they are held for the collection of contractual cash flows, and those cash flows comprise solely of principal and interest payments.

The State measures debt investments at FVOCI when they are held for both collection of contractual cash flows and for selling the financial asset, and where the asset's cash flows represent solely payments of principal and interest.

The State may irrevocably elect to classify equity investments at FVOCI, that would otherwise be measured at FVTPL. These equity investments meet the definition of equity instruments under AASB 132 *Financial Instruments: Presentation* (AASB 132) and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity investments are designated at FVOCI when the State intends to hold these investments for the medium to long-term or for policy purposes.

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value under AASB 9. 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 and are measured at FVTPL. The measurement basis may change for derivatives designated as hedges, depending on whether they are determined to be effective hedges. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model.

Financial Assets - Subsequent Measurement and Gains and Losses

Financial assets at amortised cost are subsequently measured using the effective interest rate method, less any impairment. Impairment losses are presented in 'other economic flows – included in the operating result'. Any gain or loss arising on derecognition is also recognised in 'other economic flows – included in the operating result' together with foreign exchange gains and losses. Interest is presented as 'revenue from transactions' and included in the 'net operating balance'.

Debt investments at FVOCI are subsequently measured at fair value. Movements in the carrying amount are taken through 'other economic flows - other comprehensive income', except for the recognition of impairment and foreign exchange gains and losses which are recognised in 'other economic flows - included in the operating result' and interest revenue which is recognised using the effective interest method as 'revenue from transactions'. When the financial asset is derecognised, the cumulative gain or loss previously recognised in 'other economic flows - other comprehensive income' is reclassified from equity to 'other economic flows - included in the operating result'.

Equity investments at FVOCI are subsequently measured at fair value. Movements in the carrying amount are taken through other economic flows - other comprehensive income. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as income as part of revenues from transactions when the right of payment has been established.

Financial assets at FVTPL are subsequently measured at fair value under AASB 9. A gain or loss on a financial asset that is subsequently measured at FVTPL is recognised in other economic flows – included in the operating result. A change in fair value excludes interest and distributions, which are recognised as income and included as part of revenues from transactions.

Financial Assets - Impairment

The State recognises an allowance for ECLs for all financial assets, contract assets, guarantees and loan commitments not held at FVTPL or designated at FVOCI. ECLs are based on the difference between the contractual cash flows and the cash flows that the State expects to receive, discounted at 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.

For receivables (including leases receivable) and contract assets, the State applies a simplified approach in calculating ECLs. The State recognises a loss allowance based on lifetime ECLs at each reporting date. The State has established a provision matrix based on its historical credit loss experience for these receivables, adjusted for forward looking factors specific to the receivables.

Where the State has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the State has ceased enforcement activity.

ECLs for all other debt investments not held at FVTPL are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events that are possible within the next 12-months (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 (a lifetime ECL). A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. A lifetime ECL allowance is recognised for financial assets that are credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

The State considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The State recognises impairment for statutory receivables when there is objective evidence that the State will not be able to collect all amounts due.

Equity instruments designated at FVOCI are not subject to impairment assessments.

Financial Liabilities – Classification, Subsequent Measurement, and Gains and Losses

Financial liabilities are recognised when the State becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value, and in the case of financial liabilities not at FVTPL, net of directly attributable transaction costs. Financial liabilities are subsequently classified either as measured at amortised cost or at FVTPL.

A financial liability is classified as FVTPL if it is held-for-trading, it is a derivative, or it is designated as such on initial recognition. Fair value changes of borrowings designated at FVTPL are recorded in other economic flows – included in the operating result, except for movements in fair value due to changes in the State's own credit risk which are recorded in other economic flows – other comprehensive income and are not recycled to the operating result. Interest expense is recorded as expenses from transactions and reported in the net operating balance.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in other economic flows – included in the operating result when the liabilities are derecognised. Interest expense is recorded as expenses from transactions and reported in the net operating balance.

Derivative Financial Instruments and Hedge Accounting

Derivatives are initially recognised at fair value and are recognised on the Consolidated Statement of Financial Position at trade date (the date the State becomes party to the contractual provisions of the financial instrument concerned).

Derivatives are classified as held for trading and are measured at FVTPL. The measurement basis may change for derivatives designated as hedges, depending on whether they are determined to be effective hedges.

Where an active market exists, fair values are determined by reference to the specific market quoted prices/ yields at reporting date. If no active market exists, judgement is used to select the valuation technique which best estimates fair value by discounting the expected future cash flows arising from the financial instruments to their present value using market yields and margins appropriate to the financial instruments. These margins take into account credit quality and liquidity of the financial instruments.

Gains and losses from derivatives mandatorily classified as held for trading are recognised in other economic flows – included in operating result.

Derivatives designated as hedges are measured at fair value and are accounted for either as a fair value hedge (i.e. hedge of exposures to changes in fair value) or a cash flow hedge (i.e. hedge of exposure to variability in cash flows). Gains or losses on fair value hedges are recognised in other economic flows – included in operating result. Gains or losses on the effective portion of cash flow hedges are recognised in other economic flows – other comprehensive income, until the forecast transaction affects profit or loss and is then recycled into other economic flows – included in operating result. The ineffective portion of cash flow hedges is also recognised in other economic flows – included in operating result.

Financial Assets and Financial Liabilities - Derecognition

A financial asset (or a part of a financial asset or part of a group of similar financial assets) is derecognised when either the contractual rights to the cash flows from the financial asset expire, if the State 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 State has transferred substantially all the risks and rewards of the asset; or
- the State has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the State has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the State 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 State’s continuing involvement in the asset. In that case, the State also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that has been retained.

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 State could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired. 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 other economic flows – included in the operating result.

Financial Instrument Categories

The State's financial instruments are classified at 30 June 2024, under AASB 9, as follows:

			General Government Sector		Total State Sector	
		Note	2023-24	2022-23	2023-24	2022-23
			$m	$m	$m	$m
Financial Assets	**Category**					
Cash and Cash Equivalents	Amortised Cost	5	6,886	6,344	17,314	17,214
Receivables[(a)]	Amortised Cost	6	4,964	4,663	45,559	14,486
Advances Paid	Amortised Cost	8	930	936	701	671
Investments, Loans and Placements						
Financial Assets at Fair Value						
Derivatives (Held for Trading)	Mandatorily at FVTPL	7	232	230	3,351	2,273
Derivatives (Designated Hedging Instrument)	Fair Value - Hedging Instrument	7	1	1	0	3
Interest Bearing Securities[(b)]	Mandatorily at FVTPL	7	28	4	53,831	40,792
TCorpIM Funds	Mandatorily at FVTPL	7	50,066	48,105	...	...
Managed Funds and Other Investments[(b)]	Mandatorily at FVTPL	7	132	43	19,040	14,808
Other Financial Assets						
Term Deposits	Amortised Cost	7	6	5	303	334
Leases Receivable[(c)]	Amortised Cost	7	1,093	1,050	1,315	1,260
Other	Amortised Cost	7	958	776	240	190
Equity Investments in Other Public Sector Entities[(d)(e)]	Designated at FVOCI	10	155,966	123,003	...	...
Other Equity Investments	Mandatorily at FVTPL	10	15	15	30,186	28,208
Financial Liabilities						
Deposits Held	Designated at FVTPL	19	...	...	39	37
	Amortised Cost	19	344	327	379	362
Payables[(f)(g)]	Amortised Cost	20	9,461	9,167	43,262	20,161
Advances	Amortised Cost		438	492	438	492
Borrowings	Designated at FVTPL	22	0	...	195,883	150,218
	Amortised Cost	23	153,485	132,079	22,082	19,295
Derivatives (Held for Trading)	Mandatorily at FVTPL	22	8	17	2,532	2,184
Other Liabilities						
Interests in TCorpIM Funds of Investors Not Controlled by the State	Designated at FVTPL	27	...	...	18,652	16,488

(a) Financial instrument disclosures exclude statutory receivables not within the scope of AASB 7. Statutory receivables include taxation, fines and levies receivable totalling $8,794 million (2022-23: $7,338 million) for the GGS and $8,662 million (2022-23: $7,202 million) for the TSS.

(b) "Managed Funds and Other Investments" includes $121 million for the Shared Equity Scheme to assist single parents, older singles and first home buyers who are key workers with buying a home (2023: $29 million). Note, the Shared Equity Scheme was reported under "Interest Bearing Securities" in the 2022-23 TSSA.

(c) Financial instrument disclosures exclude finance lease receivables which only represent the unguaranteed residual value totalling $576 million (2022-23: $547 million) for the GGS and $711 million (2022-23: $673 million) for the TSS.

(d) Changes in the carrying amount of Equity Investments in Other Public Sector Entities are accounted for in a manner consistent with Equity Investments at FVOCI under AASB 9.

(e) Financial instrument disclosures exclude investments in associates and joint ventures of $10,372 million (2022-23: $10,545 million) for the GGS and $11,994 million (2022-23: $11,903 million) for the TSS not within the scope of AASB 7.

(f) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.

(g) Financial instrument disclosures exclude statutory payables not within the scope of AASB 7. Statutory payables include fringe benefits tax, goods and services tax payables and insurance fund scheme balances repayable totalling $230 million (2022-23: $183 million) for the GGS and $277 million (2022-23: $267 million) for the TSS.

The State 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.

Net Gains and Losses by Financial Instrument Measurement Categories

The following table summarises financial instrument net gains and losses ('other economic flows') recognised in the operating result by AASB 9 financial instrument measurement classifications.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Non-Derivative Financial Assets				
Mandatorily at FVTPL	2,343	2,499	4,016	4,084
Amortised Cost	(2)	...	(2)	...
Total	**2,341**	**2,499**	**4,014**	**4,084**
Non-Derivative Financial Liabilities				
Designated at FVTPL	...	...	(193)	2,077
Amortised Cost	23	43	(29)	(70)
Total	**23**	**43**	**(222)**	**2,007**
Derivative Financial Instruments				
FVTPL – Held for Trading	5	41	(123)	(64)
Fair Value - Hedging Instrument	...	...	...	...
Total	**5**	**41**	**(123)**	**(64)**
Net Total[(a)(b)(c)]	**2,369**	**2,583**	**3,669**	**6,027**

(a) The net total equates to the sum of 'fair value adjustments to financial instruments' in Note 4: Other Economic Flows Included in the Operating Result.
(b) Refer to 'other dividends and distributions' in Note 2: Revenue for distributions from managed funds mandatorily measured at FVTPL.
(c) Refer to 'other economic flows – other comprehensive income' in the Consolidated Statement of Comprehensive Income for gains and losses deferred to equity in the hedging reserve for fair value – hedging financial instruments ('net gain/(loss) on financial instruments at fair value') and in the financial assets at FVOCI reserve for equity investments designated at FVOCI ('net gain/(loss) on equity instruments at fair value through other comprehensive income').

Interest Revenue and Interest Expense by Financial Instrument Measurement Category

The following table summarises recognised interest revenue and expense amounts by AASB 9 financial instrument measurement classifications.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Interest Income From[(a)]:				
Financial Assets at Amortised Cost	768	545	746	513
Financial Assets at FVTPL	...	...	2,322	1,963
Total	**768**	**545**	**3,068**	**2,476**
Interest Expense From[(b)]:				
Financial Liabilities at Amortised Cost	5,142	3,763	1,293	979
Financial Liabilities at FVTPL	...	...	5,784	4,158
Total	**5,142**	**3,763**	**7,077**	**5,137**

(a) Interest revenue of $768 million (2022-23: $545 million) for the GGS and $3,068 million (2022-23: $2,476 million) for the TSS equates to total revenue reported as part of 'interest' in Note 2: Revenue.
(b) Interest expense of $5,142 million (2022-23: $3,763 million) for the GGS equates to the sum of interest on borrowings of $4,673 million (2022-23: $3,338 million), interest on lease liabilities of $252 million (2022-23: $266 million) and interest on service concession financial liabilities of $217 million (2022-23: $159 million) reported in Note 3: Expenses ('interest expense'). Interest expense of $7,077 million (2022-23: $5,137 million) for the TSS equates to the sum of interest on borrowings of $6,183 million (2022-23: $4,474 million) and interest on lease liabilities of $636 million (2022-23: $461 million) and interest on service concession financial liabilities of $258 million (2022-23: $202 million) reported in Note 3: Expenses ('interest expense').

Valuation of Financial Instruments

Except where specified below, the amortised cost of financial instruments recognised in the Consolidated Statement of Financial Position approximates the fair value.

Fair Value Hierarchy of Financial Assets and Liabilities

The following tables set out the State's financial assets and liabilities measured at fair value according to the fair value hierarchy at reporting date.

General Government Sector

2023-24	Note	Level 1	Level 2	Level 3	Total
		$m	$m	$m	$m
Financial Assets					
Investments, Loans and Placements					
Derivatives					
Held for Trading	7	...	214	18	**232**
Designated and Effective Hedging Instruments	7	...	1	...	**1**
Financial Assets at Fair Value					
Interest Bearing Securities	7	0	28	...	**28**
TCorpIM Funds	7	...	49,856	210	**50,066**
Managed Funds and Other Investments	7	...	11	121	**132**
Other Equity Investments	10	...	0	15	**15**
Total		**0**	**50,110**	**364**	**50,475**
Financial Liabilities					
Derivatives					
Held for Trading	22	...	8	...	**8**
Total		**0**	**9**	**...**	**9**
Net Total		**0**	**50,101**	**364**	**50,466**

2022-23	Note	Level 1	Level 2	Level 3	Total
		$m	$m	$m	$m
Financial Assets					
Investments, Loans and Placements					
Derivatives					
Held for Trading	7	...	210	19	**230**
Designated and Effective Hedging Instruments	7	0	1	0	1
Financial Assets at Fair Value					
Interest Bearing Securities[(a)]	7	0	3	...	**4**
TCorpIM Funds	7	8	47,864	233	**48,105**
Managed Funds and Other Investments[(a)]	7	...	14	29	**43**
Other Equity Investments	10	0	0	15	**15**
Total		**9**	**48,093**	**297**	**48,398**
Financial Liabilities					
Derivatives					
Held for Trading	22	6	11	...	**17**
Total		**6**	**11**	**...**	**17**
Net Total		**2**	**48,082**	**297**	**48,381**

(a) "Managed Funds and Other Investments" includes $29 million as Level 3 for the Shared Equity Scheme to assist single parents, older singles and first home buyers who are key workers with buying a home. Note, the Shared Equity Scheme was reported under "Interest Bearing Securities" in the 2022-23 TSSA.

Total State Sector

2023-24	Note	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial Assets					
Investments, Loans and Placements					
Derivatives					
Held for Trading	7	198	3,135	18	**3,351**
Designated and Effective Hedging Instruments	7	0	0	...	**0**
Financial Assets at Fair Value					
Interest Bearing Securities	7	4,607	45,471	3,753	**53,831**
Managed Funds and Other Investments	7	4,542	6,528	7,970	**19,040**
Other Equity Investments	10	28,733	8	1,445	**30,186**
Total		**38,080**	**55,142**	**13,187**	**106,408**
Financial Liabilities					
Deposits Held					
Held by PFCs	19	0	39	...	**39**
Derivatives					
Held for Trading	22	116	2,416	...	**2,532**
Designated and Effective Hedging Instruments	22	...	0	...	**0**
Borrowings at Fair Value					
Bonds and Other Borrowings Issued by TCorp	22	149,058	22,255	909	**172,222**
Other Fair Value Borrowings	22	...	23,661	...	**23,661**
Other Liabilities					
Interests in TCorpIM Funds of Investors Not Controlled by the State	27	...	14,925	3,728	**18,652**
Total		**149,174**	**63,297**	**4,637**	**217,105**
Net Total		**(111,094)**	**(8,155)**	**8,549**	**(110,697)**

2022-23	Note	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial Assets					
Investments, Loans and Placements					
Derivatives					
Held for Trading	7	107	2,144	23	**2,273**
Designated and Effective Hedging Instruments	7	1	1	...	**3**
Financial Assets at Fair Value					
Interest Bearing Securities[(a)]	7	5,366	32,794	2,631	**40,792**
Managed Funds and Other Investments[(a)]	7	727	6,362	7,719	**14,808**
Other Equity Investments	10	26,808	5	1,396	**28,208**
Total		**33,009**	**41,306**	**11,770**	**86,084**
Financial Liabilities					
Deposits Held					
Held by PFCs	19	0	37	...	**37**
Derivatives					
Held for Trading	22	134	2,049	...	**2,184**
Designated and Effective Hedging Instruments	22	...	...	...	**...**
Borrowings at Fair Value					
Bonds and Other Borrowings Issued by TCorp	22	126,273	19,557	951	**146,781**
Other Fair Value Borrowings	22	...	3,437	...	**3,437**
Other Liabilities					
Interests in TCorpIM Funds of Investors Not Controlled by the State	27	...	12,863	3,625	**16,488**
Total		**126,408**	**37,944**	**4,576**	**168,928**
Net Total		**(93,399)**	**3,363**	**7,194**	**(82,844)**

(a) "Managed Funds and Other Investments" includes $29 million as Level 3 for the Shared Equity Scheme to assist single parents, older singles and first home buyers who are key workers with buying a home. Note, the Shared Equity Scheme was reported under "Interest Bearing Securities" in the 2022-23 TSSA.

Annual Movement Reconciliation of Level 3 Fair Value Measurements

The following table sets out the State's change in exposure throughout the reporting period to financial instruments categorised as Level 3 in the fair value measurement hierarchy. Reconciliation of Level 3 fair value movements is only disclosed for the TSS as they are only material for the PFC sector.

Total State Sector

	Derivative Assets - Held for Trading		Derivative Assets - Designated and Effective Hedging Instruments		Interest Bearing Securities		Managed Funds and Other Investments		Other Equity Instruments		Total Recurring Level 3 Fair Value	
Note	7		7		7		7		10			
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Financial Assets												
Opening Balance	23	4	...	2	2,631	375	7,719	7,100	1,396	796	**11,770**	**8,277**
Gains or Loss Recognised in Other Economic Flows												
Included in the Operating Result	(2)	19	...	(2)	2	42	(489)	95	67	121	**(422)**	**275**
Included in Other Comprehensive Income	...	(0)	...	...	...	...	...	...	...	...	**...**	**(0)**
Purchases	...	...	...	...	1,617	390	1,037	854	52	255	**2,706**	**1,500**
Sales / Settlements	(3)	...	...	...	(505)	(72)	(60)	(56)	(75)	(37)	**(643)**	**(165)**
Transfers into Level 3	...	...	...	...	...	1,966	...	...	...	15	**...**	**1,981**
Transfers out of Level 3	...	...	...	...	(9)	...	(291)	(17)	...	(6)	**(300)**	**(23)**
Other	...	...	...	...	17	(70)	54	(257)	5	252	**76**	**(75)**
Closing Balance	**18**	**23**	**...**	**...**	**3,753**	**2,631**	**7,970**	**7,719**	**1,445**	**1,396**	**13,187**	**11,770**

	Bonds and Other Borrowings Issued by TCorp		Interests in TCorpIM Funds of Investors Not Controlled by the State		Total Recurring Level 3 Fair Value	
Note	22		27			
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m	$m	$m
Financial Liabilities						
Opening Balance	951	950	3,625	2,335	**4,576**	**3,285**
Gains or Loss Recognised in Other Economic Flows						
Included in the Operating Result	(42)	1	(229)	93	**(271)**	**94**
Purchases	...	...	548	876	**548**	**876**
Sales / Settlements	...	...	(142)	(127)	**(142)**	**(127)**
Transfers into Level 3[(a)]	...	...	...	448	**...**	**448**
Transfers out of Level 3	...	...	(74)	...	(74)	**...**
Closing Balance	**909**	**951**	**3,728**	**3,625**	**4,637**	**4,576**

(a) In 2022-23, transfers into level 3 of the interests in TCorpIM Funds of investors not controlled by the State liability included $422 million relating to a TCorpIM Fund that was reassessed to be controlled by the State during 2022-23. Refer to Note 38: Details of Consolidated Entities.

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the transfer has occurred. Transfers into level 3 of the fair value hierarchy for the 2023-24 financial year totalled $0 million (2022-23: $1,533 million) for the TSS. Transfers out of level 3 of the fair value hierarchy for the 2023-24 financial year totalled $226 million for the TSS (2022-23: $23 million).

Valuation policies and procedures of the State are developed, reviewed, and enforced by management of the respective agencies.

Measurement of Fair Values

Financial Instruments Measured at Fair Value – Level 2

Financial instruments measured at fair value that are classified at level 2 of the fair value hierarchy comprise derivatives, interest bearing securities, TCorpIM Funds, managed funds and other investments, other equity investments, borrowings measured at fair value, and interests in TCorpIM Funds of investors not controlled by the State. The valuation techniques and inputs for these financial instruments are as follows:

- **Derivatives (Held for Trading and Effective Hedging Instruments)** - The fair values are based on market quoted prices of similar instruments or discounted cash flow analysis depending on whether the derivatives are traded in an active market. Primary valuation inputs include spot FX rates, swap rates and basis curves.
- **Interest Bearing Securities** – The fair value is based on market comparisons of quoted prices of comparable securities or discounting of expected future cash flows to their present value using benchmark market yields and margins appropriate to the securities.
- **TCorpIM Funds (GGS only)** – The value of TCorpIM Funds is based on the State's share of the value of the underlying assets of the fund, based on the market value. All of the TCorpIM Funds are valued using 'redemption' pricing.
- **Managed Funds and Other Investments** – The fair value of unlisted managed fund investments is based on the State's share of the unit values using 'redemption' pricing provided by external fund managers.
- **Borrowings Measured at Fair Value (Bonds and Other Borrowings Issued by TCorp)** – The fair value is based on discounting of expected future cash flows to their present value using benchmark market yields and margins appropriate to the borrowings.
- **Interests in TCorpIM Funds of Investors Not Controlled by the State (TSS only)** - The fair value is based on the units held in TCorpIM Funds by investors not controlled by the State and 'redemption' pricing.

Financial Instruments Measured at Fair Value – Level 3

The valuation techniques and inputs for financial instruments classified at level 3 of the fair value hierarchy are summarised in the following table:

Type	Valuation technique	Significant unobservable inputs	Relationship between inputs and fair value
TCorpIM Funds (GGS only), Managed funds and other investments (Note 7: Investments, Loans and Placements)	For the TSS, unlisted managed investment funds and unit trusts held in TCorpIM Fund Trusts, that are classified at level 3, are infrequently traded. These investments directly hold assets such as unlisted property or unlisted infrastructure which require significant valuation estimation and judgement by the fund manager and their valuer. GGS holding of units in TCorpIM Funds that hold unlisted infrastructure and property are also classified at level 3 in the fair value hierarchy.	The funds' investment in unlisted managed investment funds is carried at fair value based on redemption value per unit reported by the manager of the funds. The unobservable inputs are published redemption prices.	An increase in published redemption prices would result in a higher fair value.
Other equity investments (Note 10: Equity Investments) and interest-bearing securities (Note 7: Investments, Loans and Placements)	Unlisted equity securities and loan notes held in TCorpIM Fund Trusts, that are classified at level 3, are infrequently traded. As observable prices are not available for these investments, valuation techniques are used to derive fair value. The valuation technique employed in most cases is the discounted cash flows technique (the income approach).	The significant unobservable inputs for these investments are the inflation rate, discount rate and terminal growth rates used in the discounted cash flows valuation.	An increase in inflation rate and terminal growth rates would result in a higher fair value. An increase in discount rate would result in a lower fair value.
Borrowings measured at fair value - bonds and other borrowings issued by TCorp (Note 22: Borrowings and Derivatives at Fair Value)	Euro medium term notes held by TCorp are classified at level 3 in the fair value hierarchy. These instruments are foreign currency denominated fixed interest borrowings. The fair value of these borrowings is derived from quoted market prices of the underlying securities adjusted by unobservable inputs for risk.	The quoted prices obtained for these securities are subject to a buy/sell spread (also known as a risk adjustment) in recognition of the limited trading activity of these bonds. This 'spread' is unobservable.	A higher risk adjustment would result in a lower fair value.
Interests in TCorpIM Funds of investors not controlled by the State (TSS only) (Note 27: Other Liabilities)	The financial liability relating to the interests in TCorpIM Funds of investors not controlled by the State are classified at level 3, where the investments held in TCorpIM Funds are predominately classified at level 3 (as described above). The fair value is based on units held by investors not controlled by the State and redemption unit prices.	The unobservable inputs are the redemption unit prices.	An increase in the redemption unit prices would result in a higher fair value.

Financial Instruments Not Measured at Fair Value

The State has financial assets and liabilities which are not measured at fair value in the Consolidated Statement of Financial Position but for which the fair value is disclosed in this note. The amortised cost of cash and cash equivalents, receivables, advances paid, finance leases receivable, term deposits, other financial assets (other), payables, deposits held, advances held and service concession financial liabilities are assumed to approximate fair value.

Other borrowings at amortised cost held by the GGS is the only financial instrument category where fair value significantly differs from the carrying amount. The fair value is based on the State's share of the value of the underlying assets of the facility, based on the market value.

2023-24		General Government Sector		Total State Sector	
	Note	Carrying Amount	Fair Value(a)	Carrying Amount	Fair Value(a)
		$m	$m	$m	$m
Financial Liabilities					
Borrowings at Amortised Cost					
Other Borrowings at Amortised Cost	23	141,325	146,463	4,163	3,994
Total		**141,325**	**146,463**	**4,163**	**3,994**

(a) Other borrowings at amortised cost would primarily be included in the fair value hierarchy at level 2.

2022-23		General Government Sector		Total State Sector	
	Note	Carrying Amount	Fair Value(a)	Carrying Amount	Fair Value(a)
		$m	$m	$m	$m
Financial Liabilities					
Borrowings at Amortised Cost					
Other Borrowings at Amortised Cost	23	120,122	122,419	3,397	3,274
Total		**120,122**	**122,419**	**3,397**	**3,274**

(a) Other borrowings at amortised cost would primarily be included in the fair value hierarchy at level 2.

Offsetting Financial Instruments

Financial instruments are offset, and the net amount is reported in the Consolidated Statement of Financial Position if the State currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The State also enters into various derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. Under these agreements, the amounts owed by each counterparty in respect of all transactions outstanding are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, such as when a credit event, such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions. The ISDA agreements do not meet the criteria for offsetting in the Consolidated Statement of Financial Position. This is because the State does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events.

The following tables set out the carrying amounts of recognised financial instruments for the TSS that are offset in the Consolidated Statement of Financial Position and those that are not offset but are subject to master netting agreements. The GGS has not offset any material financial instrument balances in the Consolidated Statement of Financial Position or entered into any significant master netting arrangements as at 30 June 2024 (2022-23: Nil).

Total State Sector

2023-24		Effects of Offsetting on the Statement of Financial Position			Related Amounts Not Offset		
		Gross Amounts	Gross Amounts Offset in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position	Amounts Subject to Master Netting Arrangements	Financial Instrument Collateral	Net Amount
	Note	$m	$m	$m	$m	$m	$m
Financial Assets							
Investments, Loans and Placements							
Financial Assets at Fair Value							
Derivatives - Held for Trading	7	3,356	(5)	3,351	(2,099)	(362)	**890**
Receivables							
Other[(a)]	6	42,331	...	42,331	(34)	(19)	**42,278**
Total		**45,687**	**(5)**	**45,682**	**(2,133)**	**(381)**	**43,168**
Financial Liabilities							
Borrowings and Derivatives at Fair Value							
Derivatives - Held for Trading	22	(2,537)	5	(2,532)	1,504	140	**(888)**
Payables							
Creditors & Other Accruals[(a)]	20	(8,007)	...	(8,007)	133	2,170	(5,704)
Total		**(10,544)**	**5**	**(10,539)**	**1,637**	**2,310**	**(6,592)**

(a) Amounts offset as part of Receivables (Other) / Payables (Creditors & Other Accruals) relate to margin account amounts receivable / payable.

2022-23		Effects of Offsetting on the Statement of Financial Position			Related Amounts Not Offset		
		Gross Amounts	Gross Amounts Offset in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position	Amounts Subject to Master Netting Arrangements	Financial Instrument Collateral	Net Amount
	Note	$m	$m	$m	$m	$m	$m
Financial Assets							
Investments, Loans and Placements							
Financial Assets at Fair Value							
Derivatives - Held for Trading	7	2,284	(11)	2,273	(1,296)	(461)	**516**
Receivables							
Other[(a)]	6	11,250	...	11,250	(92)	(42)	**11,116**
Total		**13,534**	**(11)**	**13,523**	**(1,388)**	**(503)**	**11,632**
Financial Liabilities							
Borrowings and Derivatives at Fair Value							
Derivatives - Held for Trading	22	(2,195)	11	(2,184)	114	152	**(1,918)**
Payables							
Creditors & Other Accruals[(a)(b)]	20	(8,016)	...	(8,016)	4	4,127	(3,885)
Total		**(10,211)**	**11**	**(10,200)**	**118**	**4,279**	**(5,803)**

(a) Amounts offset as part of Receivables (Other) / Payables (Creditors & Other Accruals) relate to margin account amounts receivable / payable.
(b) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.

Credit Risk of Financial Assets

Credit risk arises when there is the possibility of the State's counterparties defaulting on their contractual obligations, resulting in a financial loss to the State. Credit risk arises from cash and cash equivalents, contractual cash flows of interest-bearing securities and other financial assets at amortised cost, term deposits with banks and financial institutions, derivative financial assets, as well as credit exposures to commercial entities and individuals, including outstanding receivables and finance leases receivable.

The carrying amount of financial assets and contract assets represents the State's maximum credit exposure (net of any allowance for credit losses or allowance for impairment) at the end of the reporting period.

Credit risk associated with the State's financial assets, other than receivables, is managed through the selection and monitoring of counterparties and establishment of minimum credit rating standards.

All financial assets, except for those measured at FVTPL, are subject to an annual review for impairment.

The State controls the borrowing and investing powers of its authorities through the GSF Act. The provision for the Treasurer to schedule authorities under this Act restricts the ability and amount that public authorities can borrow and invest and directs most authorities to finance through TCorp. Agencies with approved investing powers outside of TCorp are restricted to invest in classes of investments in accordance with the GSF Act.

The State holds various security deposits in the GGS to the value of $344 million (2022-23: $327 million) and in the TSS to the value of $417 million (2022-23: $399 million).

The State may obtain, or provide, collateral to support amounts due under derivative transactions with certain counterparties. The collateral may include cash or eligible securities obtained, or provided, when agreed market value thresholds are exceeded. There was $379 million of collateral received under these arrangements at the reporting date (2022-23: $263 million). The State paid $354 million of collateral under these arrangements throughout the year (2022-23: $328 million).

Cash and Cash Equivalents

Cash and cash equivalents (Note 5: Cash and Cash Equivalents) comprises cash on hand, cash invested in the TCorpIM Funds, and cash and short-term deposits held at financial institutions. Interest is earned on daily bank balances at agreed rates. The TCorpIM Cash Fund is discussed in market risk below. The credit ratings of other institutions holding non TCorpIM cash is within acceptable credit risk parameters.

Trade Receivables, Contract Assets and Lease Receivables

Receivables (Note 6: Receivables) and contract assets exist for the settlement of services that the State provides across the range of its public services. All debtors are recognised at amounts receivable at reporting date. Sales are made on terms appropriate to the sector providing the public service. Collectability of debtors is reviewed on an ongoing basis. Established procedures are followed to recover outstanding debt amounts, including letters of demand.

In addition, amounts due from lessees to the State under finance leasing arrangements are recorded as leases receivable (Note 7: Investments, Loans and Placements). The State has issued finance leases over land and buildings and infrastructure property, plant and equipment.

The annual movement in the contractual receivables ECLs allowance for the current reporting period is summarised below.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Opening Balance at 1 July	**261**	**248**	**298**	**294**
Amounts Written Off to the Net Operating Balance During the Year	(124)	(52)	(128)	(64)
Amounts Previously Provided for Recovered During the Year	3	(10)	2	(13)
Increase/(Decrease) in Allowance Recognised in Other Economic Flows - Operating Result	106	72	111	78
Other	...	3	...	3
Closing Balance at 30 June[(a)]	**246**	**261**	**283**	**298**

(a) Excludes impairment on statutory receivables (i.e. not within the scope of AASB 7).

The State did not recognise any impairment on contract assets throughout the 2023-24 financial year (2022-23: Nil impairment).

The State has assessed that leases receivable are not impaired at 30 June 2024 (2022-23: Nil impairment). The State's investments in these instruments are low risk and are with counterparties with low levels of default.

To measure the ECLs, these assets have been grouped based on shared credit risk characteristics and the days past due.

The State determines the ECLs for these assets by using a provision matrix, with the expected loss rates 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 State has identified the unemployment rate, wages growth rate and CPI inflation to be the most relevant factors and has accordingly adjusted the historical loss rates based on expected changes in these factors.

Receivables, contracts assets and lease receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 90 days past due.

The State provides services to a broad spectrum of the NSW economy, for example for water and public housing. Debtors include individual households and commercial businesses with various credit ratings. The State is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

Investments, Loans and Placements and Advances Paid

The State is also subject to credit risk from interest bearing securities, term deposits, advances paid, and other financial assets at amortised cost.

The credit quality of these investments is managed using Standard and Poor's ratings categories. Exposure in each grade is monitored to ensure that it is in accordance with mandated parameters. To be eligible for investment, counterparties must satisfy minimum credit worthiness criteria.

The following tables present an analysis of the credit quality of these investments. The tables also detail whether investments classified at amortised cost were subject to a 12-month ECLs allowance or lifetime ECLs allowance and, in the latter case, whether they were credit-impaired.

General Government Sector

30 June 2024 Credit Rating[a]	Note	AAA	AA+	AA	AA-	A+	A	Other Ratings[b]	Loss Allowance	Carrying Amount
		$m	$m	$m	$m	$m	$m	$m	$m	$m
Financial Assets at Carrying Amount										
Financial Assets at Fair Value										
Interest Bearing Securities	7	0	...	...	...	...	0	28	...	**28**
Financial Assets at Amortised Cost with 12-Month ECLs										
Other Financial Assets										
Term Deposits	7	0	...	...	5	...	...	1	...	**6**
Other	7	...	...	...	...	...	...	958	...	**958**
Financial Assets at Amortised Cost with Lifetime ECLs										
Advances Paid	8	...	...	...	...	...	...	949	(19)	**930**
		0	**...**	**...**	**5**	**...**	**0**	**1,936**	**(19)**	**1,923**

30 June 2023 Credit Rating[a]	Note	AAA	AA+	AA	AA-	A+	A	Other Ratings[b]	Loss Allowance	Carrying Amount
		$m	$m	$m	$m	$m	$m	$m	$m	$m
Financial Assets at Carrying Amount										
Financial Assets at Fair Value										
Interest Bearing Securities[c]	7	1	...	...	...	...	0	3	...	**4**
Financial Assets at Amortised Cost with 12-Month ECLs										
Other Financial Assets										
Term Deposits	7	...	...	...	4	...	...	1	...	**5**
Other[a]	7	...	...	...	...	...	...	776	...	**776**
Financial Assets at Amortised Cost with Lifetime ECLs										
Advances Paid	8	...	...	...	...	...	...	954	(18)	**936**
		1	**...**	**...**	**4**	**...**	**0**	**1,734**	**(18)**	**1,721**

(a) Amounts are assigned to the credit ratings categories based on information provided by individual agencies who use rankings assigned by S&P. 'AAA', 'AA+', 'AA', 'AA-', 'A+', 'A' displayed in the column headings are ratings categories by S&P that are comparable with 'Aaa', 'Aa1','Aa2', 'Aa3', 'A1','A2' ratings given by Moody's.
(b) Short term ratings of A2 or better, when the counterparty has no long term rating or the long term rating is A- or lower.
(c) "Interest Bearing Securities" AAA rating excludes $29 million for the Shared Equity Scheme to assist single parents, older singles and first home buyers who are key workers with buying a home. Note, the Shared Equity Scheme was reported under "Interest Bearing Securities" in the 2022-23 TSSA.

Total State Sector

30 June 2024 Credit Rating[(a)]	Note	AAA	AA+	AA	AA-	A+	A	Other Ratings[(b)]	Loss Allowance	Carrying Amount
		$m	$m	$m	$m	$m	$m	$m	$m	$m
Financial Assets at Carrying Amount										
Financial Assets at Fair Value										
Interest Bearing Securities	7	7,004	3,244	13,416	14,128	2,493	2,747	10,799	...	**53,831**
Financial Assets at Amortised Cost with 12-Month ECLs										
Other Financial Assets										
Term Deposits	7	0	...	...	135	...	...	168	...	**303**
Other	7	...	...	...	...	...	...	240	...	**240**
Financial Assets at Amortised Cost with Lifetime ECLs										
Advances Paid	8	...	...	...	...	...	...	720	(19)	**701**
		7,004	**3,244**	**13,416**	**14,263**	**2,493**	**2,747**	**11,927**	**(19)**	**55,076**

30 June 2023 Credit Rating[(a)]	Note	AAA	AA+	AA	AA-	A+	A	Other Ratings[(b)]	Loss Allowance	Carrying Amount
		$m	$m	$m	$m	$m	$m	$m	$m	$m
Financial Assets at Carrying Amount										
Financial Assets at Fair Value										
Interest Bearing Securities[(a)(c)]	7	5,820	3,085	2,826	6,794	2,615	6,950	12,704	...	**40,792**
Financial Assets at Amortised Cost with 12-Month ECLs										
Other Financial Assets										
Term Deposits	7	...	...	...	124	...	...	210	...	**334**
Other	7	...	...	...	...	...	...	190	...	**190**
Financial Assets at Amortised Cost with Lifetime ECLs										
Advances Paid	8	...	...	...	...	...	...	689	(18)	**671**
		5,820	**3,085**	**2,826**	**6,918**	**2,615**	**6,950**	**13,792**	**(18)**	**41,987**

(a) Amounts are assigned to the credit ratings categories based on information provided by individual agencies who use rankings assigned by S&P. 'AAA', 'AA+', 'AA', 'AA-', 'A+', 'A' displayed in the column headings are ratings categories by S&P that are comparable with 'Aaa', 'Aa1','Aa2', 'Aa3', 'A1','A2' ratings given by Moody's.
(b) Short term ratings of A2 or better, when the counterparty has no long term rating or the long term rating is A- or lower.
(c) "Interest Bearing Securities" AAA rating excludes $29 million for the Shared Equity Scheme to assist single parents, older singles and first home buyers who are key workers with buying a home. Note, the Shared Equity Scheme was reported under "Interest Bearing Securities" in the 2022-23 TSSA.

The State has placed funds on deposit with various financial institutions consisting of money market or bank deposits and can be placed 'at call' or for a fixed term. These term deposits are considered to have low credit risk, and the loss allowance calculated for these investments during the period was therefore limited to 12 months ECLs. The State did not recognise any ECLs on term deposits for the 2023-24 financial year (2022-23: Nil impairment).

The State has recognised ECLs for advances paid in the GGS and TSS to the value of $19 million for the 2023-24 financial year (2022-23: $18 million). Lifetime ECLs have been recognised for advances provided given increases in credit risk since initial recognition. This assessment has been performed based on reviews of actual and expected changes in external market indicators, internal factors and debtor-specific information.

The maximum exposure at the end of the reporting period for interest bearing securities is the fair value carrying amount of the investments.

Derivatives

The majority of derivative financial assets of the State are entered with banking and financial institution counterparties, which are predominately rated AA- to A, based on Standard and Poor's ratings categories.

Liquidity Risk of Liabilities

Liquidity risk is the risk that the State will be unable to meet its payment obligations when they fall due. The State, through its agencies, continuously manages risk through monitoring future cash flows and maturities and planning to ensure adequate holdings of high-quality liquid assets are maintained.

The State is exposed to liquidity risk mainly through the maturity of its external borrowings raised by TCorp. TCorp maintains adequate levels of liquidity within approved minimum prudential and maximum ranges. The minimum prudential level is defined as a percentage of total liabilities and is held to meet unanticipated calls and to cover temporary market disruptions. Additional levels of liquidity are maintained up to the maximum approved range to satisfy a range of circumstances, including agency funding requirements, maturing commitments, and balance sheet management activities.

There were no defaults of borrowings throughout the current and comparative reporting periods.

The State has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2024 and as at 30 June 2023. However, refer to Note 31: Contingent Liabilities and Contingent Assets regarding disclosures on guarantee arrangements.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Trade terms vary, depending upon the service performed and the agreement made with the debtor.

Maturity Analysis of Financial Liabilities

The table below summarises the maturity profile of the State's financial liabilities prepared using contractual undiscounted cash flows. This comprises loan commitments which include both borrowings at face value and future interest commitments.

General Government Sector

2023-24	Note	Contract maturity: 1 year or less	1 to 5 years	Over 5 years	Nominal Amount(a)	Carrying Amount
		$m	$m	$m	$m	$m
Contractual Maturities of Financial Liabilities						
Non-Derivatives						
Deposits Held	19	342	2	...	344	**344**
Payables(b)	20	9,341	119	...	9,461	**9,461**
Advances Received		49	228	350	627	**438**
Borrowings						
Other Borrowings at Amortised Cost	23	5,553	53,148	121,817	180,518	**141,325**
Lease Liabilities	23	974	3,138	5,287	9,400	**6,748**
Service Concession Financial Liabilities	23	343	3,800	4,647	8,790	**5,412**
Total Non-Derivatives		**16,602**	**60,436**	**132,102**	**209,140**	**163,727**
Derivatives						
Derivative Liabilities(c)						
Held for Trading	22	7	1	...	8	**8**
Total Derivatives		**7**	**1**	**...**	**8**	**8**

2022-23	Note	Contract maturity: 1 year or less	1 to 5 years	Over 5 years	Nominal Amount(a)	Carrying Amount
		$m	$m	$m	$m	$m
Contractual Maturities of Financial Liabilities						
Non-Derivatives						
Deposits Held	19	327	0	...	**327**	**327**
Payables(b)(c)	20	9,164	2	...	**9,167**	**9,167**
Advances Received		51	320	332	**704**	**492**
Borrowings						
Other Borrowings at Amortised Cost	23	6,389	40,780	101,437	**148,606**	**120,122**
Lease Liabilities	23	1,016	3,082	5,522	**9,621**	**6,781**
Service Concession Financial Liabilities	23	875	2,229	6,265	**9,368**	**5,176**
Total Non-Derivatives		**17,822**	**46,412**	**113,557**	**177,792**	**142,064**
Derivatives						
Derivative Liabilities(d)						
Held for Trading	22	17	...	...	**17**	**17**
Total Derivatives		**17**	**...**	**...**	**17**	**17**

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the Consolidated Statement of Financial Position, which is based on fair value or amortised cost. The balances presented here include gross lease obligations, contractual amounts to be exchanged in a derivative financial instrument for which gross cash flows are exchanged, and gross loan commitments, i.e. borrowings at face value plus future interest commitments.
(b) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.
(c) Excludes statutory payables (i.e. not within the scope of AASB 7).
(d) The contractual maturity analysis and liquidity risk of derivative liabilities is the best approximation derived from reasonable estimates that were calculated from information sourced from major NSW Government agencies. These balances include estimated interest payments and exclude the impact of offsetting arrangements.

Total State Sector

2023-24	Note	Contract maturity: 1 year or less	1 to 5 years	Over 5 years	Nominal Amount[(a)]	Carrying Amount
		$m	$m	$m	$m	$m
Contractual Maturities of Financial Liabilities						
Non-Derivatives						
Deposits Held	19	413	4	...	**417**	**417**
Payables[(b)]	20	43,139	119	3	**43,262**	**43,262**
Advances Received		49	228	350	**627**	**438**
Borrowings						
Bonds and Other Borrowings Issued By TCorp	22	24,442	69,221	130,649	**224,313**	**172,222**
Other Fair Value Borrowings	22	11,902	441	11,318	**23,661**	**23,661**
Other Borrowings at Amortised Cost	23	464	2,672	2,685	**5,821**	**4,163**
Lease Liabilities	23	1,473	5,027	15,571	**22,071**	**11,147**
Service Concession Financial Liabilities	23	493	4,430	5,525	**10,448**	**6,771**
Other Liabilities						
Interests in TCorpIM Funds of Investors Not Controlled by the State	27	18,652	...	...	**18,652**	**18,652**
Total Non-Derivatives		**101,027**	**82,143**	**166,102**	**349,271**	**280,733**
Derivatives						
Derivative Liabilities[(c)]						
Held for Trading	22	1,341	692	1,429	**3,463**	**2,532**
Designated and Effective Hedging Instruments	22	...	0	...	**0**	**0**
Total Derivatives		**1,341**	**693**	**1,429**	**3,464**	**2,532**

2022-23	Note	Contract maturity: 1 year or less	1 to 5 years	Over 5 years	Nominal Amount[(a)]	Carrying Amount
		$m	$m	$m	$m	$m
Contractual Maturities of Financial Liabilities						
Non-Derivatives						
Deposits Held	19	397	2	...	**399**	**399**
Payables[(b)(c)]	20	20,057	2	3	**20,063**	**20,161**
Advances Received		51	320	332	**704**	**492**
Borrowings						
Bonds and Other Borrowings Issued By TCorp	22	22,121	56,941	108,705	**187,767**	**146,781**
Other Fair Value Borrowings	22	54	625	2,758	**3,437**	**3,437**
Other Borrowings at Amortised Cost	23	579	1,816	2,888	**5,283**	**3,397**
Lease Liabilities	23	1,309	4,123	9,194	**14,626**	**9,257**
Service Concessions Financial Liabilities	23	1,009	2,798	7,285	**11,093**	**6,640**
Other Liabilities						
Interests in TCorpIM Funds of Investors Not Controlled by the State	27	16,488	...	...	**16,488**	**16,488**
Total Non-Derivatives		**62,066**	**66,627**	**131,166**	**259,859**	**207,053**
Derivatives						
Derivative Liabilities[(d)]						
Held for Trading	22	1,621	602	820	**3,043**	**2,184**
Designated and Effective Hedging Instruments	22	...	...	...	**...**	**...**
Total Derivatives		**1,621**	**602**	**820**	**3,043**	**2,184**

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the Consolidated Statement of Financial Position, which is based on fair value or amortised cost. The balances presented here include gross lease obligations, contractual amounts to be exchanged in a derivative financial instrument for which gross cash flows are exchanged, and gross loan commitments, i.e. borrowings at face value plus future interest commitments.

(b) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.

(c) Excludes statutory payables (i.e. not within the scope of AASB 7).

(d) The contractual maturity analysis and liquidity risk of derivative liabilities is the best approximation derived from reasonable estimates that were calculated from information sourced from major NSW Government agencies. These balances include estimated interest payments and exclude the impact of offsetting arrangements.

Market Risk

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 State's exposures to market risk are primarily through:

- interest rate risk on the State's borrowings and investments;
- price risks associated with the movement in price of TCorpIM Funds, managed fund investments, and equity instruments; and
- foreign exchange risk that could affect borrowings, investments and the value of overseas purchases.

The State does not have material exposures to commodity price risk.

For market risk, the effect on the 'operating result' and 'net worth' to a reasonably possible change in a risk variable is outlined in the information below. A reasonably possible change in a risk variable has been determined after taking into account the economic environment in which the State 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 reporting date.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the State's interest-bearing assets and liabilities including interest bearing securities and borrowings.

Total State Sector – TCorp Debt Funding Holdings in Interest Bearing Securities and Borrowings

TCorp manages the debt portfolio for most of the agencies of the State. TCorp measures its exposure to interest rate risk in terms of cash flows or notional cash flows generated from holdings in interest bearing securities (Note 7: Investments, Loans and Placements) and borrowings at fair value (Note 22: Borrowings and Derivatives at Fair Value). The boundaries within which interest rate risk is undertaken and managed are established under approved TCorp policies, management guidelines and client defined mandates. Derivatives are also employed by TCorp to manage interest rate risk for interest bearing assets and liabilities.

TCorp employs a Value at Risk (VaR) model to measure the market risk exposures of TCorp borrowings and investments in the Consolidated Statement of Financial Position. VaR is calculated daily and represents an estimate of the loss that can be expected over a 10-day period, with a one per cent probability that this amount may be exceeded. Given TCorp's financial position at 30 June 2024, the maximum potential loss for the TSS expected over a 10-day period is $4.3 million (2022-23: $4.6 million), with a one per cent probability that this maximum may be exceeded. The average VaR over the year ended 30 June 2024 was $4.4 million (2022-23: $4.3 million).

Total State Sector – TCorpIM Fund Trust Investments in Interest Bearing Securities

The TSS is exposed to interest rate risk through TCorpIM Fund Trust investments in interest bearing securities (Note 7: Investments, Loans and Placements). Interest rate risk exposures arising from these investments are primarily measured and managed using duration and mandated limits specified in investment agreements.

The TSS's exposure to interest rate risk arising from these investments is set out in the tables below. A reasonably possible change of +/- 1 per cent is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

Total State Sector

	2023-24		2022-23	
	-1%	1%	-1%	1%
	$m	$m	$m	$m
Operating Result[(a)]	246	(246)	259	(259)
Net Worth[(a)]	246	(246)	259	(259)

(a) Reclassifications of prior year amounts have been made to reflect improvements in the comparability to the current year.

General Government Sector and Total State Sector – Other Financial Assets and Liabilities

The State's remaining exposure to interest rate risk is primarily from cash and cash equivalents (Note 5: Cash and Cash Equivalents), borrowings at amortised cost (Note 23: Borrowings at Amortised Cost) and term deposits (Note 7: Investments, Loans and Placements). The State predominately manages this risk by undertaking mainly fixed rate borrowings with TCorp. A small number of agencies engage private sector financial institutions to manage or advise on the management of their debt portfolios or manage their own portfolios.

The State's exposure to interest rate risk from remaining financial assets and liabilities is set out in the tables below. A reasonably possible change of +/- 1 per cent is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

2023-24	General Government Sector		Total State Sector	
	-1%	1%	-1%	1%
	$m	$m	$m	$m
Operating Result	(69)	69	(145)	145
Net Worth	(69)	69	(145)	145

2022-23	General Government Sector		Total State Sector	
	-1%	1%	-1%	1%
	$m	$m	$m	$m
Operating Result	(71)	71	(144)	144
Net Worth	(71)	71	(144)	144

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will change because of movements in market prices. This risk arises from investments held by the State for which prices in the future are uncertain.

Total State Sector – TCorpIM Fund Trust Investments in Equities and Managed Fund Investments

The TSS is primarily subject to price risk from consolidated TCorpIM Fund Trust holdings in managed funds (Note 7: Investments, Loans and Placements) and other equity investments (Note 10: Equity Investments). These investments are categorised as financial assets at FVTPL with the carrying amount of these investments representing the State's maximum price risk at the reporting date. Any change in the price of these investments impacts directly on the operating result.

TCorp, as Trustee, mitigates price risk from listed equity instruments by diversifying exposure across a range of investment managers and markets. Benchmarks are established for each investment manager with TCorp monitoring performance relative to those benchmarks. Price risk from holdings in managed investment funds and other unlisted equity investments are managed by ensuring that investments are managed in accordance with stated objectives and by monitoring the performance of the investments.

TCorp examines the sensitivity of the 'operating result' and 'net worth' attributable to price risk from these investments. The TSS's exposure to price risk from these investments is set out in the table below. The table reports the estimated sensitivity of 10 per cent (2022-23: 10 per cent) movement in price to the 'operating result' and 'net worth' of the TSS.

Total State Sector

	2023-24		2022-23	
	-10%	+10%	-10%	+10%
	$m	$m	$m	$m
Operating Result[(a)]	(5,394)	5,394	(4,375)	4,375
Net Worth[(a)]	(5,394)	5,394	(4,375)	4,375

(a) Reclassifications of prior year amounts have been made to reflect improvements in the comparability to the current year.

General Government Sector – Unit Holdings in TCorpIM Funds

The GGS is primarily exposed to price risk through its unit holdings in TCorpIM Fund Trusts (Note 7: Investments, Loans and Placements). Investments in TCorpIM Funds are held for strategic rather than trading purposes. The funds comprise a series of managed funds which are subject to volatility in their unit prices. Each fund comprises a different underlying type of investment, with associated risks and investment horizons.

TCorpIM Fund investments held by agencies operating in the TSS are eliminated on consolidation of the sector.

The GGS holds units in the following TCorpIM Funds trusts:

			General Government Sector	
			2023-24	2022-23
Trust	Investment Sectors	Investment Horizon	$m	$m
Short Term Income Fund	Cash, Money Market Instruments, Australian Government Debt, Australian Corporate Debt and International Corporate Debt	1.5 years to 3 years	43	41
Medium Term Growth Fund	Cash, Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, and Derivatives	3 years to 7 years	1,437	1,208
Long Term Growth Fund	Cash, Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, and Derivatives	7 years and over	2,006	1,797
Insurers' Guarantee Fund Investment Trust	Cash, Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, Derivatives, Global Property, and Global Infrastructure	20 years and over	204	201
Treasury Managed Fund Investment Portfolio	Cash, Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, Derivatives, Global Property, and Global Infrastructure	10 years and over	16,727	14,945
Australian Share Fund	Listed Australian Equities	5 years and over	54	59
Developed Markets Equities (Sovereign Investor - Hedged) Fund	Developed Market Equities	5 years and over	224	251
Emerging Market Share Fund	Emerging Market Shares	5 years and over	34	35
Unlisted Property Fund	Retail, Office and Industrial Property Assets	10 years and over	107	128
Unlisted Infrastructure Fund	Unlisted Managed Investment Funds	10 years and over	86	83
NSW Infrastructure Future Fund	Cash, Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, and Derivatives	10 years and over	5,962	7,430
Long Service Corporation Investment Fund	Cash, Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, Derivatives, Global Property, and Global Infrastructure	10 years and over	2,372	2,213
Social and Affordable Housing NSW Fund Investment Trust	Cash, Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, Derivatives, Global Property, and Global Infrastructure	10 years and over	1,610	1,576
Opportunistic Fund B	High Yield Corporate Debt	2 years to 3 years	2	3
Opportunistic Fund C	Global Property	4 years and over	2	3
Bank Loan Fund	Global Bank Loans	5 years and over	46	52
Emerging Market Debt Fund	Emerging Market Government and Corporate Bonds	5 years and over	46	54
NSW Generations (Debt Retirement) Fund Investment Trust	Cash, Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, Derivatives, Global Property, and Global Infrastructure	10 years and over	16,995	16,020
Liquidity Cash Fund	Cash, Money Market Instruments and Australian Government Debt and Australian Corporate Debt	Up to 1.5 years	50	50

			General Government Sector	
			2023-24	2022-23
Trust	Investment Sectors	Investment Horizon	$m	$m
Core Alternatives Fund	Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, and Derivatives	5 years and over	69	65
Snowy Hydro Legacy Fund	Cash, Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, and Derivatives	10 years and over	1,751	1,645
Global Credit Fund	Investment Grade Corporate Debt	5 years and over	...	...
High Yield Fund	High Yield Corporate Debt	5 years and over	21	21
Australian Bond Fund	Australian Government & Semi-Government Debt	3 years and over	98	105
Defensive Alternatives Fund	Money Market Instruments, Developed Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, and Derivatives	5 years and over	78	73
Direct Investment Fund N	Global Property	10 years and over	12	14
Opportunistic Liquidity Provision Fund	Money Market Instruments, Australian Equities, Developed Market Equities, Emerging Market Equities, Government Debt, Corporate Debt, Currencies, Commodities, and Derivatives	5 years and over	32	30
Receivables Fund	Securitised Assets	5 years and over	1	...
GGS Total TCorpIM Funds[(a)]			**50,069**	**48,103**

(a) The GGS unit holdings in TCorpIM Funds of $50.1 billion (2022-23: $48.1 billion) is disclosed as part of Financial Assets at Fair Value included in Note 7: Investments, Loans and Placements.

TCorpIM investment facilities are mandatorily measured at FVTPL by the GGS and therefore any change in unit price impacts directly on the operating result. The unit price of each trust is equal to the total fair value of the net assets held by the trust divided by the number of units on issue for that trust. Unit prices are calculated and published daily.

TCorpIM Fund investments are available to all NSW public authorities, including universities and local government authorities. Each TCorpIM Funds investment has been established as an individual unit trust and each trust has its own investment objective and strategy.

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 limits the State's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

The GGS's exposure to price risk from these investments is set out in the table below. The table reports the estimated sensitivity of 10 per cent (2022-23: 10 per cent) movement in price to the value of the investments of the GGS.

A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value at 30 June each year for each trust.

Price Risk Sensitivity Analysis of the TCorpIM Funds

Trust	Change in Unit Price 2023-24	2022-23	General Government Sector 2023-24	2022-23
	%	%	$m	$m
Short Term Income Fund	+/-10.0%	+/-10.0%	4	4
Medium Term Growth Fund	+/-10.0%	+/-10.0%	144	121
Long Term Growth Fund	+/-10.0%	+/-10.0%	201	180
Insurers' Guarantee Fund Investment Trust	+/-10.0%	+/-10.0%	20	20
Treasury Managed Fund Investment Portfolio	+/-10.0%	+/-10.0%	1,673	1,494
Australian Share Fund	+/-10.0%	+/-10.0%	5	6
Developed Markets Equities (Sovereign Investor - Hedged) Fund	+/-10.0%	+/-10.0%	22	25
Emerging Market Share Fund	+/-10.0%	+/-10.0%	3	3
Unlisted Property Fund	+/-10.0%	+/-10.0%	11	13
Unlisted Infrastructure Fund	+/-10.0%	+/-10.0%	9	8
NSW Infrastructure Future Fund	+/-10.0%	+/-10.0%	596	743
Long Service Corporation Investment Fund	+/-10.0%	+/-10.0%	237	221
Social and Affordable Housing NSW Fund Investment Trust	+/-10.0%	+/-10.0%	161	158
Opportunistic Fund B	+/-10.0%	+/-10.0%	0	0
Opportunistic Fund C	+/-10.0%	+/-10.0%	0	0
Bank Loan Fund	+/-10.0%	+/-10.0%	5	5
Emerging Market Debt Fund	+/-10.0%	+/-10.0%	5	5
NSW Generations (Debt Retirement) Fund Investment Trust	+/-10.0%	+/-10.0%	1,699	1,602
Liquidity Cash Fund	+/-10.0%	+/-10.0%	5	5
Core Alternatives Fund	+/-10.0%	+/-10.0%	7	7
Snowy Hydro Legacy Fund	+/-10.0%	+/-10.0%	175	165
Global Credit Fund	+/-10.0%	+/-10.0%	...	...
High Yield Fund	+/-10.0%	+/-10.0%	2	2
Australian Bond Fund	+/-10.0%	+/-10.0%	10	10
Defensive Alternatives Fund	+/-10.0%	+/-10.0%	8	7
Direct Investment Fund N	+/-10.0%	+/-10.0%	1	1
Opportunistic Liquidity Provision Fund	+/-10.0%	+/-10.0%	3	3
Receivables Fund	+/-10.0%	+/-10.0%	0	...
Total			**5,007**	**4,807**

The table shows that the GGS's exposure to TCorpIM Fund price risk can be relatively significant, particularly for its holdings in the Long Term Growth Fund, Treasury Managed Fund Facilities, NSW Infrastructure Future Fund, NSW Generations (Debt Retirement) Fund Investment Trust and Long Service Corporation Investment Fund. These funds are underpinned by heavier weightings in share and property growth assets. It should be expected that, while there can be short-term volatility in annual returns, they will return higher long-term returns than the Short Term Income Fund. In particular, the Treasury Managed Fund investments are held beyond the short-term to reflect the longer-term payment horizon for insurance claims, which can extend beyond many years.

Foreign Exchange Risk

The State undertakes transactions denominated in foreign currencies which result in exposures to changes in foreign exchange rates. The State, through its consolidated agencies, has policies and procedures in place and utilises foreign exchange derivatives to minimise foreign exchange risk.

Total State Sector - Securities Denominated in Foreign Currencies

The TSS is exposed to foreign exchange risk through monetary securities denominated in foreign currencies held by TCorpIM Fund Trusts. Foreign exchange risk arises as the value of these securities fluctuate when foreign exchange rates change.

TCorp, as trustee, examines the possible effects of movements in exchange rates against the Australian dollar on the financial position as at the reporting date. The most probable changes in the foreign exchange variables have been selected based on estimations, considering historical changes in the correlation of the Fund's investments with the relevant benchmark and market volatility.

The TSS's exposure to foreign exchange risk from these financial assets and liabilities is set out in the table below. The table reports the estimated sensitivity range of 10 per cent movement in exchange rates to the 'operating result' and 'net worth' of the TSS.

Total State Sector

	2023-24		2022-23	
	-10%	+10%	-10%	+10%
	$m	$m	$m	$m
Operating Result[(a)]	(300)	300	(344)	344
Net Worth[(a)]	(300)	300	(344)	344

(a) Reclassifications of prior year amounts have been made to reflect improvements in the comparability to the current year.

Total State Sector - Borrowings at Fair Value

The TSS is exposed to foreign exchange risk through TCorp borrowings issued in foreign currencies and overseas markets undertaken as part of the funding program of the State's debt.

Foreign exchange risk is managed by TCorp by entering into Australian dollar cross-currency swaps and forward foreign exchange contracts. Forward foreign exchange contracts with NSW Government agencies are covered by corresponding forward exchange contracts with market counterparties.

Other Purchase and Sale Commitments

State agencies enter into forward foreign exchange contracts to hedge certain purchase and sale commitments entered in the normal course of business. These contracts cover the purchase of capital equipment and supplies. The following table summarises foreign currency contract cash flows outstanding in Australian dollars for the State at the reporting date.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
Currency	Contract Value AUD ($m)	Contract Value AUD ($m)	Contract Value AUD ($m)	Contract Value AUD ($m)
US Dollars	96	46	371	36
Euro	5	10	31	10
Japanese Yen	(5)	(2)	(53)	(20)
Other	3	0	12	(1)
Total	**99**	**53**	**361**	**24**

This foreign currency risk is not considered to be material in terms of a possible impact on the operating result and total net worth and, as such, a sensitivity analysis has not been completed. The GGS and TSS have entered into various risk management and hedging arrangements to manage these risks.

Note 29: Trusts Under Management

Trusts under management are held on behalf of beneficiaries and are not controlled by the State. Therefore, in principle, these trusts are not recognised as assets or liabilities on the GGS and TSS Statement of Financial Position. However, $529 million (2022-23: $406 million) of these trust funds are invested in TCorpIM Funds.

As the State controls TCorpIM Funds, the portion of these trusts that are invested in TCorpIM Funds are recognised as assets in the State accounts, while liabilities of the same amounts are also recognised to reflect the interest not controlled by the State, as trusts under management are not attributable, directly or indirectly, to the State.

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Trust Funds:				
NSW Trustee and Guardian	3,691	3,575	3,691	3,575
Rental Bond Board	2,096	1,948	2,096	1,948
State Insurance Regulatory Authority	1,940	1,750	1,940	1,750
Biodiversity Conservation Trust of NSW	391	279	391	279
Department of Customer Service	365	350	223	108
Department of Regional NSW	130	223	130	223
Ministry of Health	71	86	71	86
Department of Communities and Justice	61	68	61	68
Transport for NSW	60	53	60	53
NSW Police Force	59	65	59	65
Sydney Metro	8	26	8	26
Other[(a)]	10	13	10	13
	8,883	**8,436**	**8,741**	**8,194**

(a) Other trust funds include balances under the management of the Premier's Department, TAFE Commission, Legal Aid Commission of New South Wales and Planning Ministerial Corporation.

Note 30: Expenditure Commitments

The following information represents expenditure contracted for at the reporting date, but not recognised in the financial statements.

	General Government Sector 2023-24	General Government Sector 2022-23	Total State Sector 2023-24	Total State Sector 2022-23
	$m	$m	$m	$m
Capital Expenditure (including expenditure for private sector financed infrastructure assets):				
TAHE[a]	...	...	12,818	11,790
Transport for NSW[b]	10,313	14,737	10,313	14,736
Sydney Metro[c]	7,230	9,462	7,230	9,463
Sydney Water Corporation[d]	...	...	4,498	3,258
Ministry of Health[e][f]	2,915	3,092	2,915	3,092
Department of Education[g]	1,198	2,041	1,198	2,041
Energy Corporation of New South Wales	801	...	801	...
Infrastructure NSW[e]	150	11	427	455
New South Wales Land and Housing Corporation[h]	...	...	405	346
Department of Enterprise, Investment and Trade	297	395	297	395
Electricity Retained Interest Corporation - Ausgrid	186	160	186	160
New South Wales Government Telecommunications Authority	181	176	181	176
TCorpIM Funds	...	...	137	161
TAFE Commission	103	82	103	82
Water NSW	...	...	88	107
Hunter Water Corporation	...	...	86	146
NSW Reconstruction Authority	82	...	82	...
Aboriginal Housing Office	68	48	68	48
Sydney Ferries	...	...	63	53
Department of Climate Change, Energy, the Environment and Water	61	...	61	...
Essential Energy	...	...	60	34
Electricity Retained Interest Corporation - Endeavour Energy	50	60	50	60
NSW Police Force	49	99	49	99
Sydney Trains	...	...	45	18
Fire and Rescue NSW	34	38	34	38
Sydney Opera House Trust	...	...	30	31
Department of Communities and Justice	27	86	27	86
Western Parkland City Authority[i]	26	26	26	26
Department of Customer Service	22	30	22	30
Zoological Parks Board of New South Wales	...	...	12	30
Planning Ministerial Corporation	2	83	2	83
The Treasury	0	75	0	75
Northern Rivers Reconstruction Corporation[j]	...	110	...	110
Regional Growth NSW Development Corporation	...	54	...	54
Other	62	99	88	256
	23,858	**30,966**	**42,403**	**47,541**
Goods and Services Tax (GST) on Commitments[g]:				
GST Input Tax Credits Included in the Above Capital Expenditure Commitments	2,169	2,815	3,855	4,322
	2,169	**2,815**	**3,855**	**4,322**
Capital Expenditure Commitments:				
Not Later Than One Year	11,616	16,728	17,437	22,154
Later Than One Year and Not Later Than Five Years	12,133	13,827	20,504	21,392
Later Than Five Years	109	411	4,461	3,995
	23,858	**30,966**	**42,403**	**47,541**

(a) TAHE's capital construction are performed on their behalf by other Transport agencies. The amounts disclosed represent the capital expenditure TAHE is committed to funding via government grants it receives from Transport for NSW and its own funding in future years. This is based on the forecasts as at the reporting date in the Transport Investment Plan.
(b) Transport for NSW's decrease in capital commitments mainly relates to the Western Harbour Tunnel Upgrade ($0.8 billion), the M6 Motorway stage one project ($0.6 billion), the Warringah Freeway upgrade ($0.5 billion) and the M12 Western Sydney Airport-M7 to Northern Road ($0.4 billion).
(c) Sydney Metro's decrease in capital commitments is primarily due to Sydney Metro West project ($1.4 billion) and Western Sydney Airport project ($0.8 billion).

(d) Sydney Water Corporation's increase in capital commitments is driven by government growth initiatives, renewal of ageing infrastructure and the upgrade of existing infrastructure for increased water and environmental standards. The increase is also driven by stormwater management responsibilities in the Aerotropolis precinct and the implementation of the Greater Sydney Water Strategy to increase the resilience and reliability of the water supply.

(e) General Government Sector and Total State Sector comparatives for commitments have been updated to improve readability and comparability.

(f) Ministry of Health's decrease in capital commitments is due to amounts utilised in 2024 for key projects, including Sydney Childrens Hospital Randwick Stage 1 - Comprehensive Childrens Cancer Centre ($176 million), Childrens Hospital at Westmead Stage 2 ($158 million), John Hunter Health and Innovation Precinct ($139 million), Liverpool Health and Academic Precinct ($118 million), and Shoalhaven Hospital Redevelopment ($78 million). This decrease is partially offset by additional commitments for Royal Prince Alfred Hospital Redevelopment ($525 million).

(g) Department of Education's decrease in capital commitments is due to reduced commitments for ongoing projects, mainly for Marsden Park New High School ($287 million), Sydney Olympic Park New High School ($95 million), and Jindabyne Central School Upgrade ($81 million).

(h) The expenditure commitments are inclusive of GST except for NSW Land and Housing Corporation (LAHC). For LAHC they relate primarily to properties used to provide rental accommodation, which are input taxed activity where GST cannot be claimed from the ATO. GST input tax credits (debits) are expected to be recoverable from (payable to) the Australian Taxation Office.

(i) Western Parkland City Authority was included in "Other" in the 2022-23 TSSA.

(j) The Northern Rivers Reconstruction Corporation was dissolved on 31 October 2023.

Note 31: Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are possible future obligations or assets that arise 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 in the control of the State. Contingent liabilities also include present obligations that do not meet the criteria for recognition as liabilities. In this note, contingent assets and liabilities have been classified into quantifiable (where its financial effect is able to be estimated) or non-quantifiable.

Guarantees are provided to facilitate the provision of certain services and the construction of several infrastructure assets may give rise to contingent liabilities.

Contingent Liabilities

Quantifiable Contingent Liabilities

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Sydney Metro[(a)]	1,300	1,327	1,300	1,327
Transport for NSW[(b)]	738	860	738	860
(Land acquisitions, contractual disputes)				
Department of Communities and Justice[(c)]	1,570	1,169	1,570	1,169
(Victims Support Scheme, current litigation)				
Other Agencies	175	178	179	197
	3,783	**3,534**	**3,787**	**3,553**

(a) Sydney Metro has an estimated contingent liability of $1,300 million (2022-23: $1,327 million) due to a number of compulsory property acquisition matters currently under litigation where claims differ from the Valuer General's determined amount.

(b) Transport for NSW has an estimated contingent liability of $712 million (2022-23: $825 million) due to a number of compulsory property acquisition matters under litigation where claims differ from the Valuer General's determined amount, and several contractual disputes with an estimated contingent liability of $26 million (2022-23: $35 million).

(c) The Victims' Support Scheme (VSS) was created on 3 June 2013 through legislation known as the *Victims' Rights and Support Act 2013*. The amount attributable under the VSS for child sexual assault could reasonably lie within the range of $743 million to $1,570 million (2022-23: $610 million to $1,169 million).

Non-Quantifiable Contingent Liabilities

Details are summarised in the table below of the most significant contingent liabilities which are all fully disclosed in the accounts of individual agencies.

Unless otherwise stated, the GGS contingent liabilities are also applicable to the TSS.

Non-Quantifiable Contingent Liabilities	
Native Title Act	The State has a contingent liability under the *Native Title Act 1993 (Cth)*. The liability arises because the State has an obligation to pay compensation to native title holders where the State commits an action that extinguishes or impairs the native title holders' rights. There have been a number of claims filed with the Federal Court under the *Native Title Act 1993 (Cth)*, including the Ngemba, Ngiyampaa, Wangaaypuwan, Wayilwan and South Coast People claims where the State has accepted existence of Native Title as part of the Federal Court proceeding. However it is not possible to reliably estimate the State's liability in respect of these and any future claims. At 30 June 2024, 667,706 hectares (2023: 709,498 hectares) of operational timber reserves were subject to claims under the *Native Title Act 1993 (Cth)*. The impact of these claims cannot be quantified at this time.
Aboriginal Land Claims	The Aboriginal Land Rights Act 1983 (Act) recognises the rights of Aboriginal people in New South Wales, recognising land was traditionally owned and occupied by Aboriginal people, and is of spiritual, social, cultural and economic importance to their people. The assets of the State in the form of reserved Crown land may be reduced in value by operation of the *Aboriginal Land Rights Act 1983 (NSW)*. Applications may result in land being transferred for no consideration. Crown land determined to be claimable is transferred to the Local Aboriginal Land Councils in freehold title.The State has approximately 39,729 Aboriginal Land Claims (ALC) to review (2022-23: 38,339). As at 30 June 2024, 474 ALCs were resolved (2022-23: 776). The detriment in land values due to potentially successful claims cannot be estimated at this point of time.
Claims and Litigation - Transport	Transport for NSW has construction and major project matters in relation to the Regional Rail, New Intercity Fleet and Mona Vale Road Upgrade projects and in relation to M6 Motorway Tunnel subsidence events. It is not possible at this stage to estimate any potential financial effect in excess of the insurance coverage from these proceedings.
Land Contamination and Remediation	In accordance with the State's Contaminated Land Management Strategy, the State is proactively assessing high risk categories of potentially contaminated land across the whole Crown land portfolio. The State has engaged experts to assess the risk of the existence of contamination on sites. There were several sites where the risk of existing contamination is high. These sites are being assessed to determine existence and extent of contamination. The assessment provides the extent of work and the related costs necessary to remediate the sites. A limited number of sites have been assessed to date, with a provision made for estimated remediation costs. The extent of contamination and cost of remediation of the remaining sites cannot yet be reliably estimated.
Unclaimed Money – Consolidated Fund	The State treats the receipt of unclaimed money to the Consolidated Fund as income. However, claims can be legally lodged for several years after the money is paid into the Fund. Future claims for the return of these monies cannot be estimated and thus, is a contingent liability for the State.
Recoveries of merchant service fees	The State is currently reviewing a compliance matter relating to recoveries of merchant service fees from customers, charged on credit, debit and prepaid card payments, and online payment services. At this stage, it is uncertain whether any outflows will be required as this depends on the outcome of uncertain future events not within the control of the State.
Stolen Generations Reparations Scheme	In December 2016, the NSW Government announced the 'Stolen Generations Reparations Scheme' in acknowledgement of the suffering caused by the forcible removal of Aboriginal children by the NSW Government in the past. A standard payment of $75k is paid for approved reparations applications, unless varied by ministerial discretion to a lower amount. The scheme was open for applications until 30 June 2023. Whilst future payments are expected under the scheme, the liability for payment of reparations will only be confirmed upon the occurrence of a number of uncertain future events. Ex-gratia payments are entirely at the Minister's discretion and therefore future costs under the scheme are considered to be contingent liabilities, and expenses are recognised upon ministerial approval.
Racial Discrimination Act	A class action has been filed against the State in the Federal Court on 11 March 2024 for alleged breaches of the Racial Discrimination Act 1975 by the fisheries officers. The class action covers 12,200-16,200 Class Members, with the Senior Counsel and the Crown Solicitor currently reviewing the particulars of the case. They are of the view that it is not possible at this stage to estimate the potential financial outcomes of this matter.
Transactions related to Facilities at Port Kembla, Port Botany, Enfield, and the Port of Newcastle	The State is liable to compensate NSW Ports, which owns Port Botany and Port Kembla, if the Port of Newcastle develops a competing container terminal and certain contractual conditions are satisfied. It is not practical to estimate the potential impact of this claim at balance date given the compensation is subject to various conditions being met.
Claims and Litigation	State agencies, corporations and the State are subject to various claims and litigation in the normal course of operations. The quantum of these claims cannot be accurately determined.

Warranties, Guarantees and Indemnities

Guarantees have been provided to facilitate the provision of certain services and the construction of several infrastructure assets, which may give rise to contingent liabilities. Details are summarised in the table below of the most significant contingent liabilities which are all fully disclosed in the accounts of individual agencies.

Unless otherwise stated, the GGS guarantees are also applicable to the TSS.

Warranties, Guarantees and Indemnities	
Guarantee of TCorp Borrowing Program	Issued securities, borrowing and derivative liabilities of TCorp with a market value of $176.3 billion (2022-23: $148.2 billion) have been guaranteed by the NSW Government under the GSF Act.
TCorp Local Government Lending Facility	The State Government has guaranteed TCorp loans to NSW local councils, with value of $1,077.4 million (2022-23: $1,020.3 million), in connection with local government reform programs.
TCorp Undertakings	TCorp has undertakings for other government authorities for their performance under contracts with third parties. At the reporting date they were valued at $91.8 million (2022-23: $66.4 million).
Co-operative Housing Societies	The State has given guarantees to various organisations under statute relating to certain co-operative housing societies. The maximum exposure as at 30 June 2024 is $10.3 million (2022-23: $11.7 million).
Delta, Eraring Energy, Vales Point Power Station, and Colongra Power Station and Macquarie Generation - Warranties	The State made several warranties in relation to the sale of Delta Electricity's Western Assets, Eraring Energy, Vales Point Power Station, Colongra Power Station, Macquarie Generation and the 99-year leases of TransGrid, Ausgrid and Endeavour Energy network assets: *Pre-existing contamination liability* The State retains the costs for remediating pre-existing contamination at the Eraring, Shoalhaven, Mt Piper, Vales Point, Colongra, Bayswater and Liddell power stations sites to minimum legal standards. Contamination is determined by reference to base line study or studies within certain time restrictions. *General warranties* Under the various Sale and Purchase and Lease transactions, the State has potential liabilities under various warranties, indemnities and guarantees provided to the purchaser and lessees. Warranties are subject to various caps, carve-outs and time restrictions. *Coal haul road liability* If existing Aboriginal land right claims affect Crown Land titles over the coal haul road from Newstan Colliery to the Eraring Power station, compensation will be payable by the State to the native title holders to negotiate a continued right to use. The State's obligations end (in respect of each existing Aboriginal Land Claim) twelve months after the date on which the Minister or Court (as applicable) determines that Crown Land subject to an existing Aboriginal Land Claim is not claimable land or an easement or similar for the purposes of the Coal Haul Road is granted to the indemnified party, or the date on which an existing Aboriginal Land Claim is withdrawn or terminated. *Ash dam liability* As part of the Eraring sale, the State will pay half the incremental cost of implementing an alternative arrangement for ash disposal if the existing proposal (as at 1 August 2013) for further backfilling at the ash dam cannot be implemented.
Vales Point Power Station, Colongra Power Station and Macquarie Generation – Guarantees and Indemnities	In addition to the warranties, the State made the following guarantees and indemnities in relation to the sale of Vales Point Power Station, Colongra Power Station and Macquarie Generation: *Vales Point Hand Back Deed* The State will be responsible for the demolition and remediation of Vales Point and the Site Land if an option is exercised under the Hand Back Deed. *Land remediation indemnity* The State has indemnified the purchasers in relation to the cost to remediate land at the various power station sites, subject to various conditions and time frames. *Barnard River Scheme native title indemnity* The State has indemnified AGL for costs related to any native title claims affecting a parcel of Crown land related to the Barnard River Scheme.

Warranties, Guarantees and Indemnities	
Contracts with Private Sector Parties	The State has guaranteed the obligations and performance of various statutory authorities under contracts with private sector parties. These guarantees are considered unlikely to ever be exercised and, in some cases, are limited to financial obligations only. The current guarantees in place are: – Cross City Tunnel – Eastern Creek Alternative Waste Treatment Plant (The Crown Entity holds a guarantee, a contingent asset, which fully offsets this contingent liability) – Eastern Distributor – Illawarra and Woronora Water Treatment Plant – Lane Cove Tunnel – Long Bay Prison and Forensic Hospital – M2 Motorway – Macarthur Water Filtration Plant – Mater Hospital – New Grafton Correctional Centre – Newcastle Integrated Service Operator – North West Rail Link – Operations, Trains and Systems – NorthConnex – Northern Beaches Hospital – Olympic Multi-Use Arena – Orange Hospital Redevelopment – Prospect Water Filtration Plant and Treatment Works – Regional Rail – Royal North Shore Hospital Redevelopment – Sydney International Convention, Exhibition and Entertainment Precinct – Sydney Light Rail – Sydney Metro City & Southwest: Operations, Trains and Systems, Trains & Systems – VISY Mill: Tumut Timber Supply Agreement – Waratah Rolling Stock – WestConnex – Western Sydney Airport – Stations, Systems, Trains, Operations & Maintenance – Western Sydney Orbital
Employer's Superannuation Guarantee Contributions – Ex-Public Sector Employees	The State bears the risk of the employer's superannuation guarantee contributions being insufficient to fund the defined employee benefits (in respect of past and future service liabilities) for certain ex-public sector employees following the State's decision to sell a number of former State controlled PNFCs in past reporting periods. The State must pay the contribution shortfall on an annual basis and is obliged to make good any employer reserve shortfall upon the insolvency of the employer. Indemnities have also been provided to the private sector employer in respect of loss suffered, for example, from non-payment of an unfunded amount or tax losses suffered due to payments by the State.
Pre-existing Environmental Damage or Contamination	In entering the 99-year lease of land and fixtures at Port Kembla, Port Botany and Enfield and 98-year lease at Port of Newcastle the State has indemnified the Port lessees in respect of pre-existing environmental damage or contamination at relevant sites (no known claims as at the reporting date) and the State has guaranteed limited compensation to financiers if the Port Leases are terminated for any reason.
Contaminated Land	State's Fire and Rescue has undertaken site assessments at its training centres located in Armidale, Albion Park, Deniliquin, Alexandria and Greenacre. The assessment results confirmed the presence of perfluorooctane sulfonate (PFOS), perfluorooctanoic acid (PFOA) and perfluorohexane sulfonic acid (PFHxS) chemicals. Plans for remediation are being prepared for sites that require remediation. The final remediation costs of the impacted properties owned by the State remain uncertain.

Contingent Assets

Details are summarised in the table below of the most significant contingent assets which are all fully disclosed in the accounts of individual agencies.

Unless otherwise stated, the GGS contingent assets are also applicable to the TSS.

Contingent Assets	
Outstanding claims, caveats, or rights on assets	The Land and Housing Corporation has contingent assets from outstanding claims, caveats or rights on assets which are subject to third party conditions and long-term leases which the State has granted to third parties. Whilst the outcomes of these are uncertain and cannot be reliably measured at balance date, the net outstanding claims to the State from private sector parties and property caveats have been estimated at $6.9 million (2022-23: $8.6 million) and the long-term leases at $24.6 million 2022-23: $25.9 million).
Investigation and potential recoveries of grant funding from fraudulent and non-compliant claims	As part of its ordinary operations, Service NSW reviews and investigates its grant payments to NSW public for fraud and non-compliance. Depending on the findings, Service NSW is anticipated to take steps to recover amounts overpaid due to fraudulent activities, non-compliance, or incorrect bank account deposits. The total amount of $124.7 million (2022-23: $95.3 million) is being actively investigated by law enforcement authorities which involve potentially fraudulent activities and the outcome of the investigations will determine the recoverability of the funds.

Note 32: Events after the Reporting Period

There are no known events after the reporting period which would result in a material impact on the State's finances.

Note 33: Restatements/ Corrections to Prior Years

There were no material changes to accounting policies, changes to accounting estimates, or corrections of errors requiring restatements to the prior years.

Note 34: Related Party Disclosures

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the State. As the NSW Cabinet is the decision-making body for the State, all NSW Cabinet Ministers are considered KMP of the State. Information on KMP of each individual agency can be found in individual agency accounts. Only Cabinet exercises the role of KMP over the whole State.

Key Management Personnel Compensation

KMP compensation is as follows:

	Total State Sector 2023-24	Total State Sector 2022-23
	$000	$000
KMP Compensation Comprises:		
Short-term Employee Benefits		
Salaries	6,293	6,972
Other Monetary Allowances	3,101	3,208
Non-monetary Benefits	865	1,203
Post-Employment Benefits	715	740
Total KMP Compensation[a]	**10,974**	**12,123**

(a) The overall decrease in KMP compensation in the current year is mainly due to the decrease in the number of Ministers from 26 to 23 in the new ministry after the NSW State Election in March 2023.

Related Party Transactions

As a KMP of the State, each Cabinet Minister is considered a related party to all NSW Government-controlled entities. The definition of related parties extends to each Cabinet Minister's close family members and entities controlled or jointly controlled by the Cabinet Minister and/or close family members.

During the year, there were no material transactions with the Cabinet Ministers, their close family members or entities controlled or jointly controlled thereof.

Note 35: Budgetary Information on 2023-24 General Government Sector Financial Statements

The budgeted amounts for the GGS financial statements are drawn from the original 2023-24 budget presented to Parliament on 19 September 2023. Subsequent amendments to the original budget 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.

The NSW General Government Sector Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024

	Original Budget	Actual	Budget Variance
	$m	$m	$m
Revenue from Transactions			
Taxation	44,862	44,603	(259)
Grants and Subsidies	46,617	46,069	(549)
Sale of Goods and Services	10,603	10,156	(447)
Interest	504	768	264
Dividend and Income Tax Equivalents from Other Sectors	752	679	(73)
Other Dividends and Distributions	2,637	1,432	(1,205)
Fines, Regulatory Fees and Other	6,405	6,512	107
Total Revenue from Transactions	**112,379**	**110,219**	**(2,161)**
Expenses from Transactions			
Employee	43,530	46,131	2,601
Superannuation			
Superannuation Interest Cost	1,618	1,661	43
Other Superannuation	4,162	4,619	457
Depreciation and Amortisation	8,551	8,601	50
Interest	5,501	6,019	518
Other Operating Expenses	28,738	27,994	(744)
Grants and Subsidies	28,125	25,883	(2,242)
Total Expenses from Transactions	**120,227**	**120,909**	**682**
TRANSACTIONS FROM DISCONTINUING OPERATIONS	...	...	...
NET RESULT FROM TRANSACTIONS			
NET OPERATING BALANCE (BUDGET RESULT FOR THE GENERAL GOVERNMENT SECTOR)	**(7,847)**	**(10,690)**	**(2,843)**

The NSW General Government Statement of Comprehensive Income for the Year Ended 30 June 2024 (continued)

	Original Budget	Actual	Budget Variance
	$m	$m	$m
NET OPERATING BALANCE	**(7,847)**	**(10,690)**	**(2,843)**
OTHER ECONOMIC FLOWS - INCLUDED IN THE OPERATING RESULT			
Gain/(Loss) from Other Liabilities	(667)	(106)	561
Other Net Gains/(Losses)	1,218	2,110	892
Share of Earnings/(Losses) from Equity Investments (excluding Dividends)	(25)	(169)	(144)
Dividends from Asset Sale Proceeds	39	40	1
Allowance for Impairment of Receivables	(42)	...	42
Deferred Income Tax from Other Sectors	(103)	67	170
Other	...	(129)	(129)
Other Economic Flows - included in Operating Result	**421**	**1,813**	**1,392**
OPERATING RESULT	**(7,426)**	**(8,877)**	**(1,451)**
OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Revaluations	4,907	15,681	10,774
Share of Associate's Other Comprehensive Income/(Loss) that will not be Reclassified Subsequently to Operating Result	...	138	138
Remeasurements of Post-Employment Benefits	(1,819)	3,649	5,468
Net Gain/(Loss) on Equity Instruments at Fair Value through Other Comprehensive Income	(1,312)	34,104	35,416
Deferred Tax Direct to Equity	136	271	135
Other	20	232	212
Items that may be reclassified subsequently to operating result			
Net Gain/(Loss) on Financial Instruments at Fair Value	...	(0)	...
Other	...	0	...
Other Economic Flows - Other Comprehensive Income	**1,931**	**54,075**	**52,144**
COMPREHENSIVE RESULT - TOTAL CHANGE IN NET WORTH BEFORE TRANSACTIONS WITH OWNERS AS OWNERS	**(5,495)**	**45,198**	**50,693**
KEY FISCAL AGGREGATES			
COMPREHENSIVE RESULT - TOTAL CHANGE IN NET WORTH BEFORE TRANSACTIONS WITH OWNERS AS OWNERS	**(5,495)**	**45,198**	**50,693**
Less: Net Other Economic Flows	(2,352)	(55,888)	(53,536)
NET OPERATING BALANCE	**(7,847)**	**(10,690)**	**(2,843)**
Less: Net Acquisition of Non-Financial Assets			
Purchases of Non-Financial Assets	20,329	20,881	552
Sales of Non-Financial Assets	(1,267)	(337)	930
Less: Depreciation and Amortisation	(8,551)	(8,601)	(50)
Plus: Change in inventories	(50)	143	193
Plus: Other Movements in Non-Financial Assets			
Assets Acquired Using Leases	809	1,131	322
Assets Acquired Using Service Concession Arrangements			
Financial Liability Model	1,089	907	(182)
Grant of a Right to the Operator Model	441	282	(159)
Other	(1,005)	(744)	261
Equals Total Net Acquisition of Non-Financial Assets	**11,794**	**13,662**	**1,868**
EQUALS: NET LENDING/(BORROWING)	**(19,642)**	**(24,351)**	**(4,709)**

Analysis of the General Government Sector Results

Significant variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net Operating Balance (Budget Result)

The budget result for the financial year ended 30 June 2024 was a deficit of $10.7 billion, $2.8 billion higher than the forecast deficit in the 2023-24 original budget of $7.8 billion.

An analysis of the result compared to the original budget is outlined below.

Total Revenues

Total revenues were $2.2 billion lower than the original budget forecasts. Key drivers of this change are:

Taxation

Taxation revenue was lower than the original budget forecasts by $0.3 billion, mainly due to:

- Revenue from transfer duty was $0.3 billion lower than forecast due to lower than expected transaction activity due to affordability.
- Payroll tax revenue was $0.2 billion lower than forecast due to weaker collection in payroll tax driven by weaker private sector employment.
- Revenue from land tax was $0.1 billion higher than forecast due to stronger than expected growth in land values.
- Gambling and betting taxes were $0.1 billion higher than forecast due to number of large jackpots, which boosted lotteries activity.

Grants and Subsidies

Grants and subsidies revenue was lower than the original budget forecasts by $0.5 billion mainly due to:

- Commonwealth National Partnership Payments being lower than budgeted by $1.3 billion. There were several payments across a range of programs that were lower than budgeted due to timing and re-profiling. In particular, NSW Reconstruction Authority was $0.5 billion lower than budget due to the delay in receiving Commonwealth funding for the Disaster Recovery Funding Arrangements.
- This was offset by Commonwealth general purpose payments of $0.5 billion being higher than budget, mainly due to the stronger-than-expected collections of GST for the national pool funding compared to the original budget.
- Commonwealth Specific Purpose payments were higher than budget by $0.3 billion, mainly contributed by the Department of Climate Change, Energy, the Environment and Water, and the Department of Education.

Sale of Goods and Services

Sale of goods and services includes revenue from the use of government assets as well as revenue generated by agencies in their normal trading activities.

Sale of goods and services was lower than forecast in the 2023-24 budget by $0.4 billion, mainly attributable to fees for other services being below budget for Transport for NSW, as a result of the re-profiling of the delivery of capital expenditure projects on behalf of the TAHE.

Interest

Interest was $0.3 billion higher than forecast due to higher interest rates and higher cash balance compared to original budget assumptions.

Other Dividends and Distributions

Other dividends and distributions are a component of the returns that the State receives from its TCorp-managed investment funds, being mainly realised capital gains or losses and dividends received. Unrealised gains are reflected as part of Other Economic Flows.

Other dividends and distributions were $1.2 billion lower than forecast in the 2023-24 budget. The proportion of returns attributable to distributions was lower than assumed at the budget (with unrealised gain correspondingly higher), therefore actual revenue was less than forecast at budget. Foreign exchange exposure, which TCorp uses for protection against adverse market events, also led to lower-than-expected distributions, due to movements in foreign exchange markets.

Expenses

Total expenses were higher than forecast in the original budget by $0.7 billion as outlined below.

Employee Expenses (excluding superannuation)

Employee expenses were $2.6 billion higher than the 2023-24 budget forecast. This was mainly driven by the following:

- Department of Education employee expenses were $1 billion above budget. This was primarily as a result of increase in teachers' salaries award, which was intended to be offset by savings in non-teacher salaries, however the saving were delivered through other expense categories.
- NSW Self Insurance claims, which were above budget by $1 billion driven by higher net workers compensation claims expenses from the updated valuation of outstanding claims.

Superannuation Expenses

Other superannuation expenses were $0.5 billion higher than the 2023-24 budget mainly driven by Department of Education being $0.2 billion above budget due to the increase in teacher's salaries award as noted above.

Interest Expenses

Interest expenses were $0.5 billion higher than forecast in the 2023-24 budget mainly driven by:

- NSW Self Insurance Corp (SICorp) was $0.4 billion above budget which reflect a higher interest rate and inflation rate environment.

Other Operating Expenses

Other operating expenses were $0.7 billion lower than forecast in the 2023-24 budget. This was mainly driven by the following:

- Transport being $1.7 billion lower than budget due to re-profiling capital works, particularly on behalf of TAHE to align with TAHE's capital profile.
- Offset by: Ministry of Health being $0.5 billion above budget, due to higher expenditure in a number of areas including Outsourced Patient Care and Special Health Services.
- SICorp being $0.5 billion above budget due to higher net claims expenses from the updated valuations of outstanding claims.

Grants and Subsidies Expenses

Grants and Subsidies expenses were $2.2 billion lower than the 2023-24 budget mainly driven by re-profiling of grants across the sector - including relating to Restart infrastructure grants which contributed $1.0 billion to this variance.

Operating Result

The operating result is the budget result (net operating balance) plus the sum of other economic flows included in the operating result.

The operating result for 2023-24 was a deficit of $8.9 billion, the deficit being $1.5 billion higher than expected against the original budget estimate. This result captures the sum of the budget result negative variance of $2.8 billion explained previously under revenues and expenses, and a net positive variance in other economic flows included in the operating result of $1.4 billion. This is mainly driven by reduced losses on other liabilities and higher other net gains than forecasted, due to increasing interest rates and equity markets, which delivered strong returns over the year.

Comprehensive Result

The comprehensive result is the operating result plus the sum of other economic flows - other comprehensive income.

The comprehensive result for 2023-24 was a surplus of $45.2 billion, a $50.7 billion improvement on the budget estimate. This result was attributable to the operating result variance of $1.5 billion explained above. Variances in other economic flows – other comprehensive income of $52.1 billion were primarily due to gains on revaluations ($10.8 billion), increases in the equity instruments measured at FVOCI ($35.4 billion), and gains on actuarial adjustment to superannuation provisions ($5.5 billion), which drove this increase from the original budgeted position.

Net Lending

The net lending result is the budget result (net operating balance) adjusted for the net acquisition and sale of non-financial assets.

The net lending position worsened against the original budget by $4.7 billion, caused by the $2.8 billion deterioration in the budget result (net operating balance) described above, in combination with capital expenditure being $0.6 billion higher than the budget, and asset sales being $0.9 billion lower.

The NSW General Government Sector Consolidated Statement of Financial Position as at 30 June 2024

	Original Budget	Actual	Budget Variance
	$m	$m	$m
ASSETS			
Financial Assets			
Cash and Cash Equivalents	244	6,886	6,642
Receivables	11,691	13,759	2,068
Investments, Loans and Placements			
Financial Assets at Fair Value	49,393	50,460	1,067
Other Financial Assets	2,533	2,633	100
Advances Paid	995	930	(65)
Tax Equivalents Receivable	61	98	37
Deferred Tax Equivalents Receivable	3,407	3,915	508
Equity			
Investments in Other Public Sector Entities	125,876	155,966	30,090
Investments in Associates and Joint Ventures	8,831	10,372	1,541
Other Equity Investments	15	15	...
Total Financial Assets	**203,046**	**245,034**	**41,988**
Non-Financial Assets			
Contract Assets	499	73	(426)
Inventories	1,148	1,280	132
Forestry Stock and Other Biological Assets	16	17	1
Assets Classified as Held for Sale	151	190	39
Investment Properties	...	...	...
Property, Plant and Equipment			
Land and Buildings	134,858	139,379	4,521
Plant and Equipment	15,097	15,662	565
Infrastructure Systems	216,252	223,829	7,577
Right-of-Use Assets	6,174	6,288	114
Intangibles	5,472	5,647	175
Other Non-Financial Assets	1,906	1,729	(177)
Total Non-Financial Assets	**381,572**	**394,094**	**12,522**
TOTAL ASSETS	**584,618**	**639,128**	**54,510**
LIABILITIES			
Deposits Held	328	344	16
Payables	9,876	9,691	(185)
Contract Liabilities	848	864	16
Borrowings and Derivatives at Fair Value	17	9	(8)
Borrowings at Amortised Cost	144,999	153,485	8,486
Advances Received	445	438	(7)
Employee Benefits Liabilities	27,198	29,267	2,069
Superannuation Provision	42,686	38,134	(4,552)
Tax Equivalents Payable	0	4	4
Deferred Tax Equivalents Provision	48	40	(8)
Other Provisions	16,225	18,430	2,205
Other Liabilities	21,342	21,268	(74)
TOTAL LIABILITIES	**264,011**	**271,973**	**7,962**
NET ASSETS	**320,606**	**367,156**	**46,550**

The NSW General Government Sector Consolidated Statement of Financial Position as at 30 June 2024 (continued)

	Original Budget	Actual	Budget Variance
	$m	$m	$m
NET WORTH			
Accumulated Funds	63,348	69,270	5,922
Reserves	257,258	297,885	40,627
TOTAL NET WORTH	**320,606**	**367,156**	**46,550**
OTHER FISCAL AGGREGATES			
Net Debt	**92,624**	**93,365**	**741**
Net Financial Liabilities	**186,841**	**182,904**	**(3,937)**

Analysis of the General Government Sector Statement of Financial Position

Net Debt

Net debt was $93.4 billion at 30 June 2024. This was $0.7 billion higher than forecast in the 2023-24 budget, primarily driven by borrowings being $8.5 billion more than originally budgeted. This is offset by $6.6 billion more cash and cash equivalents than budgeted along with $1.1 billion more financial assets at fair value than budgeted.

Net Financial Liabilities

Net financial liabilities were $182.9 billion at 30 June 2024. This was $3.9 billion lower than the budget estimate. This change was primarily driven by an increase in financial assets, mainly cash and cash equivalents, offset by higher than forecasted borrowings for the year.

Net Worth

Net worth was $367.2 billion at 30 June 2024. This was $46.6 billion higher than the original budget. Net worth increased due to increase in assets above budget figures, such as the value of investments in other public sector entities, property, plant and equipment, and cash and cash equivalents. This is partially offset by borrowings at amortised cost, being $8.5 billion higher than the original budget.

The NSW General Government Sector Consolidated Statement of Cash Flows for the Year Ended 30 June 2024

	Original Budget $m	Actual $m	Budget Variance $m
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Taxation	44,825	43,182	(1,643)
Sale of Goods and Services	10,993	10,054	(939)
Grants and Subsidies	45,963	46,154	191
Interest	458	666	208
Dividends and Income Tax Equivalents from Other Sectors	933	537	(396)
Other	11,140	12,325	1,185
Total Receipts	**114,312**	**112,919**	**(1,393)**
Payments			
Employee Related	(42,569)	(43,245)	(676)
Superannuation	(5,717)	(6,181)	(464)
Payments for Goods and Services	(27,966)	(26,306)	1,660
Grants and Subsidies	(26,838)	(24,687)	2,151
Interest	(4,356)	(4,294)	62
Other	(6,770)	(7,827)	(1,057)
Total Payments	**(114,210)**	**(112,541)**	**1,669**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**102**	**378**	**276**
CASH FLOWS FROM INVESTING ACTIVITIES			
Non-financial Assets			
Proceeds from Sale of Non-Financial Assets	1,895	597	(1,298)
Purchases	(18,845)	(20,696)	(1,851)
Net Cash Flows from Investments in Non-Financial Assets	**(16,950)**	**(20,099)**	**(3,149)**
Financial Assets (Policy Purposes)			
Receipts	192	175	(17)
Payments	(362)	(235)	127
Net Cash Flows from Investments in Financial Assets (Policy Purposes)	**(170)**	**(60)**	**110**
Financial Assets (Liquidity Purposes)			
Proceeds from Sale of Investments	2,372	3,135	763
Purchase of Investments	(223)	(1,662)	(1,439)
Net Cash Flows from Investments in Financial Assets (Liquidity Purposes)	**2,149**	**1,474**	**(675)**
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(14,971)**	**(18,686)**	**(3,715)**

The NSW General Government Sector Consolidated Statement of Cash Flows for the Year Ended 30 June 2024 (continued)

	Original Budget	Actual	Budget Variance
	$m	$m	$m
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances Received	37	1	(36)
Advances Repaid	(92)	(77)	15
Proceeds from Borrowings	12,174	21,040	8,866
Repayments of Borrowings	(3,350)	(2,122)	1,228
Deposits Received/(Paid) - Net	...	9	9
Other (Net)	(0)	0	...
NET CASH FLOWS FROM FINANCING ACTIVITIES	**8,769**	**18,850**	**10,081**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(6,100)**	**542**	**6,642**
Opening Cash and Cash Equivalents	6,344	6,344	...
Reclassification of Cash Equivalents and Other Adjustments	0	(0)	...
CLOSING CASH BALANCE	**244**	**6,886**	**6,642**
DERIVATION OF CASH RESULT			
Net Cash Flows from Operating Activities	102	378	276
Net Cash Flows from Investments in Non-Financial Assets	(16,950)	(20,099)	(3,149)
CASH SURPLUS/(DEFICIT)	**(16,848)**	**(19,721)**	**(2,873)**

Analysis of the General Government Sector Statement of Cash Flows

Cash Result

The cash deficit was $19.7 billion at 30 June 2024, a $2.9 billion increase against the estimated budget cash deficit of $16.8 billion. This was mainly driven by net cash flows from investment in non-financial assets which were $3.1 billion above budget - $1.9 billion higher cash capital expenditure and $1.3 billion lower proceeds from asset sales.

Net Cash Flows from Operating Activities

Net cash flows from operating activities were $0.3 billion above budget reflecting that cash operating activities are broadly in line with budget.

Net Cash Flows from Investing Activities

Net cash flows from investing activities were $3.7 billion above budget, mainly driven by an increase in purchases of both non-financial and financial assets across a number of agencies, and budget adjustments made to proceeds from sale of non-financial assets subsequent to the Original Budget.

Net Cash Flows from Financing Activities

Net cash flows from financing activities were $10.1 billion above budget, mainly driven by increased borrowings by Treasury to meet debt and financing requirements of the sector.

Note 36: Disaggregated Financial Statements

Disaggregated Sector Information

Disaggregated primary financial statements are provided for the GGS, PNFC sector and PFC sector as a note to the TSSA. These financial statements are prepared consistent with the accounting policies adopted in the TSSA. This sector information is determined before consolidation eliminations, and includes GFS type fiscal aggregates and reconciliations.

The TSS comprises a consolidation of three sectors:

- GGS;
- PNFC sector; and
- PFC sector.

The broad sectors have been determined in accordance with the GFS of the ABS.

The GGS comprises all government agencies that are controlled and mainly financed by taxation that:

- Undertake policy and regulatory functions;
- Redistribute income and wealth;
- Provide or distribute goods and services on a non-market basis to individuals and the community; and/or
- Provide services to GGS agencies.

PNFCs are government-controlled entities that are either commercial or non-commercial in nature and largely self-funded from user charges. However, they may also receive funding from the GGS for social programs (non-commercial activities).

PFCs are government-controlled entities that perform central bank functions, or accept demand, time or savings deposits, or have the authority to incur liabilities and acquire financial assets in the market on their own account. This sector includes TCorp.

This note presents the following statements for each sector included in the TSS:

- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Cash Flows; and
- Statement of Changes in Equity.

For the purpose of this disclosure, transactions and balances between sectors have not been eliminated, but those between entities within each sector have been eliminated.

Pursuant to National Competition Policy, the State has implemented a National Tax Equivalents Regime (NTER) for Public Corporations.

Tax effect accounting principles have therefore been adopted by all agencies that are part of the NTER. On consolidation, all NTER related income tax entries are eliminated for the TSS.

The comparative year columns in the following tables have been restated for any reclassifications, corrections of errors and changes in accounting policies, for consistency with the 2023-24 presentation.

In addition, this note also presents information on total expenses and total assets by function for the GGS and TSS. ‘Functions’ are broad policy areas, which the ABS refers to as Classifications of the Functions of Government (COFOG).

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The NSW Total State Sector Accounts Statement of Comprehensive Income by Sector for the Year Ended 30 June 2024

	General Government Sector		Public Non-Financial Corporations Sector	
	2023-24	2022-23	2023-24	2022-23
FROM CONTINUING OPERATIONS	$m	$m	$m	$m
Revenue from Transactions				
Taxation	44,603	39,747	...	...
Grants and Subsidies	46,069	45,572	5,468	7,401
Sale of Goods and Services	10,156	9,700	8,799	7,989
Interest	768	545	214	144
Dividend and Income Tax Equivalents from Other Sectors	679	483	...	...
Other Dividends and Distributions	1,432	1,467	13	21
Fines, Regulatory Fees and Other	6,512	8,388	651	639
Total Revenue from Transactions	**110,219**	**105,901**	**15,145**	**16,195**
Expenses from Transactions				
Employee Expenses	46,131	42,490	2,881	2,740
Superannuation				
Superannuation Interest Cost	1,661	1,583	34	38
Other Superannuation	4,619	4,059	295	262
Depreciation and Amortisation	8,601	7,884	3,455	2,833
Interest	6,019	4,232	1,347	1,043
Income Tax Equivalents	...	...	204	107
Other Property Expense	...	...	...	...
Other Operating Expenses	27,994	28,765	6,470	6,171
Grants and Subsidies	25,883	27,454	401	76
Total Expenses from Transactions	**120,909**	**116,467**	**15,087**	**13,270**
TRANSACTIONS FROM DISCONTINUING OPERATIONS	...	...	...	...
NET RESULT FROM TRANSACTIONS - NET OPERATING BALANCE (BUDGET RESULT FOR THE GENERAL GOVERNMENT SECTOR)	**(10,690)**	**(10,565)**	**58**	**2,925**

Public Financial Corporations Sector		Eliminations		Total State Sector	
2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
$m	$m	$m	$m	$m	$m
790	729	(627)	(565)	44,766	39,911
...	...	(5,614)	(7,588)	45,922	45,385
1,344	1,179	(3,226)	(3,466)	17,074	15,402
7,548	5,835	(5,462)	(4,049)	3,068	2,476
...	...	(679)	(483)	...	...
1,121	944	(1,128)	(1,260)	1,438	1,172
25	18	(161)	(143)	7,027	8,901
10,829	**8,705**	**(16,897)**	**(17,553)**	**119,295**	**113,248**
348	307	(149)	(147)	49,210	45,390
...	...	0	...	1,695	1,621
33	28	(1)	(1)	4,946	4,348
62	56	(23)	(23)	12,096	10,750
6,346	4,461	(5,393)	(3,938)	8,320	5,797
60	55	(264)	(163)	...	...
...	...	...	...	...	...
3,864	3,675	(5,026)	(5,319)	33,302	33,292
22	22	(5,547)	(7,542)	20,759	20,010
10,735	**8,605**	**(16,402)**	**(17,133)**	**130,328**	**121,209**
...	...	...	...	...	...
94	**100**	**(495)**	**(420)**	**(11,033)**	**(7,961)**

The NSW Total State Sector Accounts Statement of Comprehensive Income by Sector for the Year Ended 30 June 2024 (continued)

	General Government Sector		Public Non-Financial Corporations Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
NET OPERATING BALANCE	**(10,690)**	**(10,565)**	**58**	**2,925**
OTHER ECONOMIC FLOWS - INCLUDED IN THE OPERATING RESULT				
Gain/(Loss) from Liabilities	(106)	(186)	(12)	0
Other Net Gains/(Losses)	2,110	2,215	87	(1,490)
Share of Earnings/(Losses) from Equity Investments (excluding Dividends)	(169)	(13)	...	...
Dividends from Asset Sale Proceeds	40	120	...	...
Deferred Income Tax from Other Sectors	67	129	(36)	(84)
Other	(129)	(90)	(1)	0
Discontinuing Operations - Other Economic Flows	...	...	...	...
Other Economic Flows - included in Operating Result	**1,813**	**2,175**	**37**	**(1,573)**
OPERATING RESULT	**(8,877)**	**(8,390)**	**95**	**1,351**
OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to operating result				
Revaluations	15,681	33,225	34,109	3,118
Share of Associate's Other Comprehensive Income/(Loss) that will not be Reclassified Subsequently to Operating Result	138	1,706	...	...
Remeasurements of Post-Employment Benefits	3,649	2,369	182	158
Net Gain/(Loss) on Equity Instruments at Fair Value through Other Comprehensive Income	34,104	6,265	...	...
Deferred Tax Direct to Equity	271	495	(271)	(495)
Other	232	403	(75)	20
Items that may be reclassified subsequently to operating result				
Net Gain/(Loss) on Financial Instruments at Fair Value	(0)	0	1	(9)
Other Economic Flows - Other Comprehensive Income	**54,075**	**44,463**	**33,945**	**2,792**
COMPREHENSIVE RESULT - TOTAL CHANGE IN NET WORTH BEFORE TRANSACTIONS WITH OWNERS AS OWNERS	**45,198**	**36,072**	**34,041**	**4,144**
Dividends Distributed	...	...	(324)	(333)
Net Equity Injections/(Transfers)	...	...	(1,142)	(287)
Total Change in Net Worth	**45,198**	**36,072**	**32,574**	**3,524**
KEY FISCAL AGGREGATES				
COMPREHENSIVE RESULT - TOTAL CHANGE IN NET WORTH BEFORE TRANSACTIONS WITH OWNERS AS OWNERS	**45,198**	**36,072**	**34,041**	**4,144**
Less: Net Other Economic Flows	(55,888)	(46,638)	(33,983)	(1,219)
NET OPERATING BALANCE	**(10,690)**	**(10,565)**	**58**	**2,925**
Less: Net Acquisition of Non-Financial Assets				
Purchases of Non-Financial Assets	20,881	21,208	5,963	5,515
Sales of Non-Financial Assets	(337)	(369)	(155)	(293)
Less: Depreciation and Amortisation	(8,601)	(7,884)	(3,455)	(2,833)
Plus: Change in inventories	143	(117)	170	(70)
Plus: Other Movements in Non-Financial Assets				
Assets Acquired Using Leases	1,131	37	1,996	63
Assets Acquired Using Service Concession Arrangements under				
Financial Liability Model	907	827	...	...
Grant of a Right to the Operator Model	282	273	...	...
Other	(744)	31	81	411
Equals Total Net Acquisition of Non-Financial Assets	**13,662**	**14,005**	**4,600**	**2,794**
EQUALS: NET LENDING/(BORROWING)	**(24,351)**	**(24,570)**	**(4,542)**	**131**

Public Financial Corporations Sector		Eliminations		Total State Sector	
2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
$m	$m	$m	$m	$m	$m
94	**100**	**(495)**	**(420)**	**(11,033)**	**(7,961)**
(3,092)	(3,299)	2,368	2,513	(843)	(972)
3,639	5,842	(2,299)	(970)	3,538	5,598
(124)	(88)	...	0	(294)	(101)
...	...	(40)	(120)	...	...
...	...	(31)	(45)	...	...
...	...	...	...	(130)	(89)
...	...	...	...	...	...
423	**2,455**	**(2)**	**1,379**	**2,272**	**4,435**
516	**2,555**	**(497)**	**959**	**(8,761)**	**(3,526)**
(0)	49	22	(1,433)	49,811	34,959
...	...	...	...	138	1,706
0	0	0	...	3,831	2,527
...	...	(34,105)	(6,265)	(1)	(0)
...	...	0	(0)	(0)	0
...	...	23	(9)	179	415
...	...	...	...	1	(9)
(0)	**49**	**(34,060)**	**(7,707)**	**53,960**	**39,598**
516	**2,604**	**(34,557)**	**(6,748)**	**45,198**	**36,072**
(130)	(106)	454	439	...	...
...	...	1,142	287	...	...
386	**2,498**	**(32,961)**	**(6,022)**	**45,198**	**36,072**
516	**2,604**	**(34,557)**	**(6,748)**	**45,198**	**36,072**
(422)	(2,504)	34,062	6,328	(56,232)	(44,033)
94	**100**	**(495)**	**(420)**	**(11,033)**	**(7,961)**
51	151	182	0	27,076	26,874
...	...	2	2	(489)	(661)
(62)	(56)	23	23	(12,096)	(10,750)
...	...	(200)	0	112	(187)
9	2	2	(2)	3,139	100
...	...	...	...	907	827
...	...	...	...	282	273
...	...	(21)	12	(683)	453
(2)	**97**	**(13)**	**35**	**18,247**	**16,931**
96	**3**	**(482)**	**(455)**	**(29,280)**	**(24,892)**

The NSW Total State Sector Accounts Statement of Changes in Equity for the Whole of Government by Sector for the Year Ended 30 June 2024

	Equity at 1 July 2023	Comprehensive Result	Transfers between equity classes	Transactions with owners as owners	Equity at 30 June 2024
	$m	$m	$m	$m	$m
General Government Sector					
Accumulated Funds	72,533	(5,003)	1,740	...	**69,270**
Reserves					
Asset Revaluation Surplus	155,695	16,129	(1,727)	...	**170,096**
Equity Investment Revaluation Surplus/ Hedge Reserve in Associate	3,807	(32)	0	...	**3,775**
Hedging Reserve	(17)	(0)	...	...	**(17)**
Financial Assets at Fair Value through Other Comprehensive Income	89,927	34,104	...	...	**124,031**
Other	13	...	(13)	...	**(0)**
	321,957	**45,198**	**...**	**...**	**367,156**
Public Non-Financial Corporations Sector					
Accumulated Funds	52,964	600	1,378	(1,466)	**53,476**
Reserves					
Asset Revaluation Surplus	56,222	33,439	(1,380)	...	**88,282**
Equity Investment Revaluation Surplus/ Hedge Reserve in Associate	...	...	...	...	**...**
Hedging Reserve	(2)	1	...	...	**(1)**
Financial Assets at Fair Value through Other Comprehensive Income	...	...	...	...	**...**
Other	50	...	2	...	**52**
	109,232	**34,041**	**...**	**(1,466)**	**141,807**
Public Financial Corporations Sector					
Accumulated Funds	13,441	516	...	(130)	**13,827**
Reserves					
Asset Revaluation Surplus	401	(0)	...	...	**400**
Equity Investment Revaluation Surplus/ Hedge Reserve in Associate	...	...	...	...	**...**
Hedging Reserve	...	...	...	...	**...**
Financial Assets at Fair Value through Other Comprehensive Income	...	...	...	...	**...**
Other	...	...	...	...	**...**
	13,841	**516**	**...**	**(130)**	**14,228**
Eliminations	(123,073)	(34,557)	...	1,596	**(156,035)**
Total State Sector	**321,957**	**45,198**	**...**	**...**	**367,156**

The NSW Total State Sector Accounts Statement of Changes in Equity for the Whole of Government by Sector for the Year Ended 30 June 2023

	Equity at 1 July 2022	Comprehensive Result	Transfers between equity classes	Transactions with owners as owners	Equity at 30 June 2023
	$m	$m	$m	$m	$m
General Government Sector					
Accumulated Funds	77,013	(6,071)	1,591	...	**72,533**
Reserves					
Asset Revaluation Surplus	123,172	34,126	(1,603)	...	**155,695**
Equity Investment Revaluation Surplus/Hedge Reserve in Associate	2,044	1,763	(0)	...	**3,807**
Hedging Reserve	(6)	(11)	...	...	**(17)**
Financial Assets at Fair Value through Other Comprehensive Income	83,662	6,265	...	...	**89,927**
Other	(0)	...	13	...	**13**
	285,885	**36,072**	**...**	**...**	**321,957**
Public Non-Financial Corporations Sector					
Accumulated Funds	52,763	430	392	(620)	**52,964**
Reserves					
Asset Revaluation Surplus	52,870	3,723	(372)	...	**56,222**
Equity Investment Revaluation Surplus/Hedge Reserve in Associate	...	...	...	...	**...**
Hedging Reserve	7	(9)	...	...	**(2)**
Financial Assets at Fair Value through Other Comprehensive Income	...	...	...	...	**...**
Other	71	...	(20)	...	**50**
	105,709	**4,144**	**...**	**(620)**	**109,232**
Public Financial Corporations Sector					
Accumulated Funds	10,991	2,555	...	(106)	**13,441**
Reserves					
Asset Revaluation Surplus	352	49	...	...	**401**
Equity Investment Revaluation Surplus/Hedge Reserve in Associate	...	...	...	...	**...**
Hedging Reserve	...	...	...	...	**...**
Financial Assets at Fair Value through Other Comprehensive Income	...	...	...	...	**...**
Other	...	...	...	...	**...**
	11,343	**2,604**	**...**	**(106)**	**13,841**
Eliminations	(117,052)	(6,748)	...	726	**(123,073)**
Total State Sector	**285,885**	**36,072**	**...**	**...**	**321,957**

The NSW Total State Sector Accounts Statement of Financial Position by Sector as at 30 June 2024

	General Government Sector		Public Non-Financial Corporations Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
ASSETS				
Financial Assets				
Cash and Cash Equivalents	6,886	6,344	3,746	4,134
Receivables	13,759	12,001	1,415	1,485
Investments, Loans and Placements				
Financial Assets at Fair Value[(b)]	50,460	48,383	502	571
Other Financial Assets	2,633	2,378	766	785
Advances Paid	930	936	52	31
Tax Equivalents Receivable	98	43	6	73
Deferred Tax Equivalents Receivable	3,915	3,607	40	42
Equity Investments				
Investments in Other Public Sector Entities	155,966	123,003	...	...
Investments in Associates and Joint Ventures	10,372	10,545	...	...
Other	15	15	...	...
Total Financial Assets	**245,034**	**207,255**	**6,529**	**7,121**
Non-Financial Assets				
Contract Assets	73	77	16	12
Inventories	1,280	1,088	791	634
Forestry Stock and Other Biological Assets	17	16	781	626
Assets Classified as Held for Sale	190	151	87	9
Investment Properties	...	...	609	611
Property, Plant and Equipment				
Land and Buildings	139,379	129,648	96,469	83,922
Plant and Equipment	15,662	15,161	6,522	4,210
Infrastructure Systems	223,829	204,909	70,773	50,092
Right-of-Use Assets	6,288	6,185	4,234	2,483
Intangibles	5,647	5,176	1,044	937
Other Non-Financial Assets	1,729	2,009	504	585
Total Non-financial Assets	**394,094**	**364,419**	**181,830**	**144,123**
TOTAL ASSETS	**639,128**	**571,674**	**188,358**	**151,244**
LIABILITIES				
Deposits Held	344	327	35	35
Payables[(a)]	9,691	9,349	2,820	2,388
Contract Liabilities	864	858	239	143
Borrowings and Derivatives at Fair Value	9	17	1	3
Borrowings at Amortised Cost	153,485	132,079	35,738	31,905
Advances Received	438	492	282	297
Employee Benefits Liabilities	29,267	25,971	1,330	1,262
Superannuation Provision	38,134	41,678	1,107	1,289
Tax Equivalents Payable	4	73	84	31
Deferred Tax Equivalents Provision	40	42	3,915	3,607
Other Provisions[(a)]	18,430	17,229	708	710
Other Liabilities	21,268	21,603	293	342
TOTAL LIABILITIES	**271,973**	**249,717**	**46,552**	**42,012**
NET WORTH	**367,156**	**321,957**	**141,807**	**109,232**
OTHER FISCAL AGGREGATES				
Net Debt	93,365	74,873	30,988	26,719
Net Financial Liabilities	182,904	165,465	40,023	34,890

(a) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.

(b) Financial Assets at Fair Value in the PFC sector comprise TCorp loans to government measured at fair value. However, a consolidation adjustment is made to eliminate the difference between the sectors.

(c) Infrastructure systems include $541 million for the Blackwattle Bay precinct redevelopment (incorporating the new Sydney Fish Market) delivered by Infrastructure NSW (2023: $340 million was reported as inventories).

Public Financial Corporations Sector		Eliminations		Total State Sector	
2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
$m	$m	$m	$m	$m	$m
6,858	6,934	(177)	(198)	17,314	17,214
41,639	10,557	(2,593)	(2,355)	54,220	21,688
244,800	203,560	(219,541)	(194,639)	76,222	57,876
3	9	(833)	(714)	2,570	2,457
...	...	(282)	(297)	701	671
...	...	(103)	(116)	...	...
...	...	(3,955)	(3,648)	...	...
...	...	(155,966)	(123,003)	...	...
1,622	1,358	(0)	...	11,994	11,903
30,171	28,193	...	...	30,186	28,208
325,094	**250,611**	**(383,450)**	**(324,970)**	**193,207**	**140,017**
...	...	(2)	(0)	87	90
...	...	(541)	...	1,530	1,722
...	...	...	0	798	642
...	...	...	...	277	161
1,101	1,142	0	(0)	1,710	1,753
16	16	...	(0)	235,864	213,586
7	8	...	48	22,191	19,427
637	653	522	(0)	295,760	255,653
91	104	(151)	(234)	10,462	8,538
148	139	(0)	...	6,839	6,253
120	128	(9)	(18)	2,345	2,704
2,120	**2,190**	**(181)**	**(204)**	**577,862**	**510,528**
327,214	**252,801**	**(383,631)**	**(325,174)**	**771,069**	**650,545**
215	239	(177)	(202)	417	399
33,129	10,589	(2,102)	(1,897)	43,538	20,428
...	...	(11)	(12)	1,091	989
198,629	152,633	(224)	(251)	198,415	152,402
2,519	1,924	(169,661)	(146,613)	22,082	19,295
...	...	(282)	(297)	438	492
67	60	(12)	(11)	30,652	27,281
0	0	0	...	39,241	42,967
15	11	(103)	(116)	...	...
...	...	(3,955)	(3,648)	...	...
9,159	8,597	(456)	(442)	27,841	26,095
69,253	64,905	(50,614)	(48,612)	40,199	38,239
312,986	**238,959**	**(227,596)**	**(202,100)**	**403,914**	**328,588**
14,228	**13,841**	**(156,034)**	**(123,074)**	**367,156**	**321,957**
18,922	9,116	(78)	150	143,197	110,858
(12,108)	(11,652)	(113)	(133)	210,707	188,570

(a) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.

(b) Financial Assets at Fair Value in the PFC sector comprise TCorp loans to government measured at fair value. However, a consolidation adjustment is made to eliminate the difference between the sectors.

(c) Infrastructure systems include $541 million for the Blackwattle Bay precinct redevelopment (incorporating the new Sydney Fish Market) delivered by Infrastructure NSW (2023: $340 million was reported as inventories).

The NSW Total State Sector Accounts Statement of Cash Flows by Sector for the Year Ended 30 June 2024

	General Government Sector		Public Non-Financial Corporations Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Taxation	43,182	39,831	...	...
Sale of Goods and Services	10,054	10,629	9,147	7,981
Grants and Subsidies	46,154	45,234	5,472	7,393
Interest	666	464	186	118
Dividends and Income Tax Equivalents from Other Sectors	537	421	...	(11)
Other	12,325	13,874	1,827	1,728
Total Receipts	**112,919**	**110,453**	**16,632**	**17,208**
Payments				
Employee Related	(43,245)	(40,003)	(2,871)	(2,739)
Superannuation	(6,181)	(5,137)	(328)	(278)
Payments for Goods and Services[(a)]	(26,306)	(26,833)	(6,641)	(6,044)
Grants and Subsidies	(24,687)	(26,212)	(80)	(70)
Interest	(4,294)	(3,163)	(1,199)	(948)
Distributions Paid	...	...	(84)	(90)
Other[(a)]	(7,827)	(9,263)	(1,443)	(1,435)
Total Payments	**(112,541)**	**(110,613)**	**(12,646)**	**(11,605)**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**378**	**(160)**	**3,985**	**5,603**
CASH FLOWS FROM INVESTING ACTIVITIES				
Non-financial Assets				
Proceeds from Sale of Non-financial Assets	597	280	155	292
Purchases	(20,696)	(22,056)	(5,693)	(5,490)
Net Cash Flows from Investments in Non-financial Assets	**(20,099)**	**(21,777)**	**(5,538)**	**(5,198)**
Financial Assets (Policy Purposes)				
Receipts	175	268	19	...
Payments	(235)	(127)	(7)	(10)
Net Cash Flows from Investments in Financial Assets (Policy Purposes)	**(60)**	**140**	**12**	**(10)**
Financial Assets (Liquidity Purposes)				
Proceeds from Sale of Investments	3,135	4,847	55	7
Purchase of Investments	(1,662)	(3,295)	(67)	(137)
Net Cash Flows from Investments in Financial Assets (Liquidity Purposes)	**1,474**	**1,552**	**(12)**	**(131)**
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(18,686)**	**(20,084)**	**(5,538)**	**(5,339)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances Received	1	1	19	...
Advances Repaid	(77)	(79)	(31)	(31)
Proceeds from Borrowings	21,040	28,457	2,232	1,810
Repayments of Borrowings	(2,122)	(4,983)	(725)	(631)
Dividends Paid	...	...	(333)	(286)
Deposits Received/(Paid) - Net	9	(26)	0	9
Other - Net	0	0	3	(16)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**18,850**	**23,370**	**1,165**	**855**
NET INCREASE/(DECREASE) IN CASH HELD	**542**	**3,126**	**(388)**	**1,120**

(a) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions.

Public Financial Corporations Sector		Eliminations		Total State Sector	
2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
$m	$m	$m	$m	$m	$m
797	706	(582)	(548)	43,397	39,989
1,302	1,181	(3,304)	(3,563)	17,200	16,228
...	...	(5,617)	(7,575)	46,009	45,051
7,045	4,963	(4,587)	(3,388)	3,309	2,157
...	...	(537)	(411)	...	0
1,163	332	(168)	(29)	15,146	15,905
10,306	**7,182**	**(14,796)**	**(15,513)**	**125,061**	**119,330**
(345)	(306)	210	199	(46,250)	(42,848)
(33)	(28)	0	(0)	(6,542)	(5,443)
(2,543)	(535)	3,804	4,026	(31,686)	(29,387)
(6)	(8)	5,514	7,438	(19,260)	(18,853)
(5,384)	(3,544)	4,586	3,387	(6,291)	(4,268)
(2,082)	(1,695)	1,269	1,403	(896)	(382)
(289)	(445)	5	(26)	(9,553)	(11,169)
(10,681)	**(6,562)**	**15,389**	**16,429**	**(120,479)**	**(112,350)**
(375)	**620**	**593**	**917**	**4,582**	**6,980**
...	...	(2)	0	750	571
(51)	(148)	118	52	(26,322)	(27,643)
(51)	**(148)**	**116**	**52**	**(25,572)**	**(27,071)**
...	...	(70)	(151)	123	117
...	...	19	0	(223)	(137)
0	**...**	**(51)**	**(151)**	**(100)**	**(21)**
7,506	7,349	(3,845)	(5,414)	6,850	6,788
(51,399)	(42,208)	27,644	33,162	(25,483)	(12,479)
(43,893)	**(34,860)**	**23,799**	**27,747**	**(18,633)**	**(5,691)**
(43,944)	**(35,008)**	**23,864**	**27,648**	**(44,304)**	**(32,782)**
...	...	(19)	...	1	1
...	...	31	31	(77)	(79)
120,966	124,871	(25,747)	(34,410)	118,491	120,728
(76,617)	(90,290)	864	5,380	(78,600)	(90,524)
(106)	(95)	439	381	...	...
...	...	(0)	(0)	9	(17)
...	...	(3)	16	(0)	0
44,243	**34,485**	**(24,435)**	**(28,601)**	**39,823**	**30,109**
(76)	**97**	**22**	**(36)**	**100**	**4,307**

(a) To more accurately reflect the nature of the underlying transactions in Transport for NSW, a reclassification of $614 million in 2022-23 has occurred from payables to other provisions

The NSW Total State Sector Accounts Statement of Cash Flows by Sector for the Year Ended 30 June 2024 (continued)

	General Government Sector		Public Non-Financial Corporations Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Opening Cash and Cash Equivalents	6,344	3,216	4,134	3,066
Reclassification of Cash Equivalents	(0)	(0)	...	(52)
CLOSING CASH BALANCE	**6,886**	**6,344**	**3,746**	**4,134**
DERIVATION OF CASH RESULT				
Net Cash Flows from Operating Activities	378	(160)	3,985	5,603
Net Cash Flows from Investments in Non-Financial Assets	(20,099)	(21,777)	(5,538)	(5,198)
Dividend Distributions	...	...	(333)	(286)
CASH SURPLUS/(DEFICIT)	**(19,721)**	**(21,936)**	**(1,886)**	**119**

Public Financial Corporations Sector		Eliminations		Total State Sector	
2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
$m	$m	$m	$m	$m	$m
6,934	6,837	(198)	(214)	17,214	12,905
...	...	...	52	(0)	(0)
6,858	**6,934**	**(177)**	**(198)**	**17,314**	**17,214**
(375)	620	593	917	4,582	6,980
(51)	(148)	116	52	(25,572)	(27,071)
(106)	(95)	439	381	...	...
(532)	**376**	**1,148**	**1,350**	**(20,990)**	**(20,091)**

Information on Expenses and Assets by Function

	General Government Sector		Total State Sector	
	2023-24	2022-23	2023-24	2022-23
	$m	$m	$m	$m
Total Expenses by Function (Policy Area)				
General Public Services	13,736	12,550	17,496	14,589
Defence	...	...	...	...
Public Order and Safety	12,204	11,137	12,238	11,149
Economic Affairs	6,646	6,147	9,392	7,926
Environmental Protection	1,892	2,480	1,876	2,413
Housing and Community Amenities	2,241	2,267	4,196	4,680
Health	30,925	29,326	30,906	29,310
Recreation, Culture and Religion	1,457	1,705	2,357	2,535
Education	22,795	22,050	22,459	21,692
Social Protection	10,684	9,101	11,546	10,474
Transport	18,329	19,703	17,864	16,440
Total Expenses(a)(b)	**120,909**	**116,467**	**130,328**	**121,209**
Total Assets by Function (Policy Area)				
General Public Services(c)	214,812	180,568	163,603	112,906
Defence	...	...	...	...
Public Order and Safety	18,375	18,004	18,264	17,915
Economic Affairs	24,438	22,675	34,770	32,697
Environmental Protection	13,795	2,023	13,866	2,110
Housing and Community Amenities	13,209	21,415	50,077	55,215
Health	36,660	34,178	36,583	34,070
Recreation, Culture and Religion	17,413	16,526	27,601	26,335
Education	54,872	51,817	54,851	51,816
Social Protection	7,070	5,771	74,064	72,171
Transport	238,485	218,699	297,391	245,311
Total Assets(a)(b)	**639,128**	**571,674**	**771,069**	**650,545**

(a) Reclassifications of prior year amounts have been made due to a revised methodology to more accurately reflect the nature of the underlying transactions.
(b) The aggregate expenses and assets for the GGS can be greater than the TSS aggregates due to the elimination of inter sector expenses and asset balances from the Total State aggregates.
(c) General Public Services for the GGS includes the State's equity investment in the PNFC/PFC sectors which is eliminated in TSS assets.

Note 37: Key Fiscal Aggregates and Reconciliations to Government Finance Statistics

AASB 1049 harmonises Government Finance Statistics (GFS) with Australian Accounting Standards (AAS) to the extent that GFS does not conflict with AAS. This requires the selection of options within the AAS that harmonise with the ABS GFS Manual.

The Australian Bureau of Statistics (ABS) GFS Manual provides the basis upon which GFS information contained in this financial report is prepared. The principles and concepts contained in the GFS Manual share many similarities with accounting principles and concepts. Where harmonisation cannot be achieved because of differences in definition, recognition, measurement, classification and consolidation principles and rules, a convergence difference arises.

Key Fiscal Aggregates

Fiscal aggregates are useful for assessing the impact of the financial transactions and balances of government-controlled entities on the economy. These measures are derived from the financial statements.

The **net operating balance** is calculated as income from transactions less expenses from transactions for both AAS and GFS. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. The GFS measure for the net operating balance will differ from the AASB 1049 measurement due to differences in the treatment of revenue and expense items that are included in this fiscal aggregate under the two frameworks.

Net lending/(borrowing) is calculated as the net operating balance, less the net acquisition of non-financial assets. The GFS measure of net lending/(borrowing) will vary from the AASB 1049 measure due to differences in the treatment of items that are recognised as revenues and expenses under AAS. There will also be variances between the two frameworks arising from the recognition of items that are included in the presentation of the net acquisition of non-financial assets.

The **total change in net worth** reports the movement in the transactions and other economic flows that contribute to the closing balance of net worth reported in the Consolidated Statement of Financial Position. For both GFS and AASB 1049, the change in the net worth is calculated from the prior year’s net worth balance. Variances between GFS and AASB 1049 in this fiscal aggregate, relate to the conceptual differences between these two frameworks for items reported in the Consolidated Statement of Comprehensive Income.

Net worth represents total assets less total liabilities, excluding the State’s equity investments in the PNFC and PFC sectors under GFS. Different recognition and measurement principles applied for assets and liabilities under the two frameworks results in differences in the calculation of the GFS and AASB 1049 net worth measure. AASB 1049 net worth also differs from GFS as it includes the GGS equity investments in the PNFC and PFC sectors. Under AAS, equity investments in the PNFC and PFC sectors are measured at the fair value of the Government's proportional share of the carrying amount of net assets. GFS differs from AAS and reports the equity investment in the PNFC and PFC sectors as zero, as the shares and other contributed equity are considered to represent a liability to the State as the owner.

The **cash surplus/(deficit)** equals to net cash flows from operating activities plus net cash flows from acquisition and disposal of non-financial assets (less distributions paid for the PNFC and PFC sectors). The GFS measure for the cash surplus/deficit will differ from the AASB 1049 measurement due to differences in the treatment of operating and investing cash flows that are included and recognised in this fiscal aggregate under the two frameworks.

In the TSSA, **net debt** is reported as the sum of deposits held, government securities, loans payable and other borrowings, less the sum of cash and deposits, advances paid and investments, loans receivable and placements. GFS data published by the ABS presents debt in a matrix form with no single net debt aggregate identified.

Net financial liabilities equals total liabilities less financial assets excluding equity investments in other public sector entities.

Convergence Differences

The following table details convergence differences resulting in the different calculation of the key fiscal aggregates under AASB 1049 (AAS) and in accordance with the ABS GFS manual.

Convergence Difference	AAS Treatment	GFS Treatment
Allowances for ECLs	Allowances for ECLs for assets are recognised in the Consolidated Statement of Financial Position. Movements in the allowance (i.e. ECLs expense) are recognised in the Consolidated Statement of Comprehensive Income as other economic flows.	Bad debt expenses are only required to be recognised when the economic event of debt write off occurs. Allowances for ECLs are not recognised in the Consolidated Statement of Financial Position.
Assets held for sale	AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations* requires valuation at fair value less costs to sell.	GFS valuation is at market value which does not include costs to sell.
Borrowings and advances	Borrowings and advances measured at amortised cost are recognised initially at fair value and subsequently measured at amortised cost.	Interest free or low interest loans are recognised based on the amount lent, and interest is recognised based on any cash interest paid. Any difference between the original amount lent and the fair value is initially recognised to the operating result and subsequently amortised over the life of the loan.
Deferred tax accounting	AAS adopts tax effect accounting whereby temporary differences between the accounting base and tax base of assets and liabilities are recognised in the Consolidated Statement of Financial Position as deferred tax assets and deferred tax liabilities.	GFS does not recognise deferred tax balances.
Dividends to owners	Dividends to the GGS (as owners) made by the PNFC and PFC sectors are treated as distributions to owners and therefore a direct reduction of accumulated funds. This difference does not impact the TSS as dividends are eliminated on consolidation.	Dividends are treated as an expense.
Income tax equivalents – discontinued operations	The component of income tax equivalents related to the disposal of discontinuing operations is reported in other economic flows, similar to deferred taxes, in the Consolidated Statement of Comprehensive Income.	Under GFS, this is treated as a return of capital, rather than a transaction.
Inter-sector employee expenses	Where staff employed in the GGS sector provide services to the PNFC sector, the related employee expenses and the revenue recoverable from the PNFC sector, are reported in the GGS.	The revenue and expense related to services provided by GGS staff to the PNFC sector are offset in the GGS and the employee expenses related to these personnel are recognised in the PNFC sector where the services were provided.
Land inventory	Land may be treated as inventory under AAS and measured at the lower of cost and net realisable value. Changes in inventory are presented on a net basis.	Under GFS, land is classified as a tangible non-financial non-produced asset and recognised at its market value. Acquisitions of land is also presented separately from disposals of land. These recognition and measurement differences impact both the Consolidated Statement of Comprehensive Income when land inventory is remeasured, and the value of the land inventory assets recorded in the Consolidated Statement of Financial Position.
Leases	The distinction between operating and finance leases has been removed from the lessee perspective with the adoption of AASB 16. Under AAS, a right-of-use asset and depreciation expense is recognised with associated lease liability and interest expense.	GFS however continues to maintain a distinction between operating and finance leases for lessees and does not recognise operating leases on the Consolidated Statement of Financial Position.
Non-contractual licences arising from statutory requirements	Revenue associated with non-contractual licences arising from statutory requirements is presented as licence fee revenue under AASB 15 *Revenue from Contracts with Customers*. AAS recognises revenue deferrals for short-term and low value prepaid licences in the Consolidated Statement of Financial Position.	Licence fee revenues are presented as taxation revenue under GFS. Revenue deferrals for licence fee revenue are excluded from the GFS Consolidated Statement of Financial Position as the prepaid income is treated as an upfront sale of a non-produced intangible asset (e.g. a permit or licence to engage in an activity over an extended period).
Prepaid expenses and deferred revenues	Prepaid expenses and deferred revenues are not recognised as financial instruments as they do not give rise to a present right to receive or deliver cash or any other financial assets. They are presented in the Consolidated Statement of Financial Positions as other non-financial assets and liabilities.	Prepaid expenses and deferred revenues are respectively presented as receivables and payables in the Consolidated Statement of Financial Position.
Provisions	Provisions are recognised as liabilities when a present obligation to another party is evident.	GFS does not recognise provisions when the identity of the party to whom the obligation is owed is unknown. The balance for provisions and is therefore lower under GFS.

Convergence Difference	AAS Treatment	GFS Treatment
Rental bond monies held in trust	Rental bond assets and liabilities are considered trust monies and are excluded from the Consolidated Statement of Financial Position.	Rental bond monies are recognised in the Consolidated Statement of Financial Position.
Service concession arrangements	The State is required by AASB 1059 *Service Concession Arrangements: Grantors* to recognise service concession assets, related financial / GORTO liability balances and associated transactions for service concession arrangements.	GFS does not require the recognition of service concession balances and transactions and continues to account for these arrangements under pre-existing accounting approaches.
Subsidies	Transport and energy subsidies paid from the GGS to the PNFC sector for students and pensioners are eliminated on consolidation of the TSS.	The payments by the State are treated as a gross expense, and a gross revenue for electricity sales and travel fares.
Taxation revenue	Taxation revenue is recognised in the sector in which it is collected.	A tax or fine can only be incurred in the GGS. For GFS reporting, taxation income collected by a PFC sector or PNFC sector agency due to administrative requirements is reclassified as a tax receipt in the GGS and an equivalent subsidy is paid back to the PFC/PNFC sectors.
Transfer payments to local government	Transfer payments relate to grants from the Australian Government for specific non-government schools or for local government authorities. As the State has no control over the transfer payments, they are not recognised as State revenues and expenses.	The ABS has determined that for GFS purposes that transfer payments are recognised as GFS revenues and expenses of the States and Territories.

Note 38: Details of Consolidated Entities

The controlled entities of the State of NSW are listed below.

Two controlled entities (2022-23: two controlled entities) have a reporting date other than 30 June. The reporting date for the National Art School and the Border Fence Maintenance Board is 31 December.

It is not considered material to the results and financial position of the TSSA to attempt to align the reporting period of these reporting entities to 30 June. Accordingly, the annual financial results of these reporting entities as at the last reported year (ended 31 December) have been consolidated into the 30 June TSSA.

Entities and staff agencies displayed in italics have been abolished.

Changes to Reporting Entities

There have been a number of changes to reporting entities since the last TSSA that affect reporting in this financial year. These changes are as a result of legislative amendments and Administrative Changes Orders which are outlined below.

- Department of Premier and Cabinet was renamed to the Premier's Department under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 4) 2023* effective 1 July 2023.
- The Cabinet Office was established and various functions from the former Department of Premier and Cabinet were transferred to the Cabinet Office under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 4) 2023* effective 1 July 2023.
- The Hawkesbury-Nepean Valley Flood Risk Management Directorate in the Infrastructure NSW Staff Agency was transferred to the NSW Reconstruction Authority Staff Agency under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 4) 2023* effective 1 July 2023.
- The Northern Rivers Reconstruction Corp Division of the Department of Regional NSW is transferred to the NSW Reconstruction Authority Staff Agency under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 4) 2023* effective 1 July 2023.
- Greater Cities Commission Staff Agency and Western Parkland City Authority Staff Agency were abolished and staff employed were transferred to the former Department of Planning and Environment under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 5) 2023* effective 1 July 2023.
- The Northern Rivers Reconstruction Corporation was abolished under the *Growth Centres (Development Corporations) Amendment (Dissolution of Northern Rivers Reconstruction Corporation) Order 2023* effective 31 October 2023.
- Department of Planning and Environment was renamed to the Department of Planning, Housing and Infrastructure under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 6) 2023* effective 1 January 2024.
- Department of Climate Change, Energy, the Environment and Water was established and various functions from the former Department of Planning and Environment and the Treasury were transferred to the Department of Climate Change, Energy, the Environment and Water under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 6) 2023* effective 1 January 2024.
- Environment line team in the Corporate Services Group are transferred from the former Department of Planning and Environment to the Environment Protection Authority Staff Agency under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 6) 2023* effective 1 January 2024.
- NSW Government Strategic Communications team is transferred from the Department of Customer Service to the Premier's Department under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 6) 2023* effective 1 January 2024.
- Greater Cities Commission was abolished and its various functions were transferred to the Department of Planning, Housing and Infrastructure under the *Greater Cities Commission Repeal Bill 2023* effective 1 January 2024.
- Various functions of the Department of Planning, Housing and Infrastructure and Property NSW were transferred to the Department of Communities and Justice under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 6) 2023* effective 1 February 2024.

- Destination NSW Staff Agency was abolished and staff employed were transferred to the Department of Enterprise, Investment and Trade under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2024* effective 1 April 2024.
- Property NSW was renamed to the Property and Development NSW under the *Property NSW Amendment Act 2024 No 27* effective 31 May 2024.

General Government Sector Controlled Entities[a]

Aboriginal Housing Office
Dunghutti Aboriginal Elders Tribal Council Trust
Aboriginal Languages Trust Board[*]
Alpha Distribution Ministerial Holding Corporation
Art Gallery of New South Wales Trust
Art Gallery of New South Wales Trust Staff Agency
Audit Office of New South Wales
Australian Museum Trust
Australian Museum Trust Staff Agency
Biamanga National Park Board of Management[b][*]
Biodiversity Conservation Trust of New South Wales
Border Fence Maintenance Board[*]
Building Insurers' Guarantee Corporation[c]
C.B. Alexander Foundation[*]
Centennial Park and Moore Park Trust
Combat Sports Authority of New South Wales[*]
Corporation Sole 'Minister Administering the Heritage Act, 1977'[*]
Crown Reserves Improvement Fund
Crown Solicitor's Office
Dams Safety NSW[*]
Department of Climate Change, Energy, the Environment and Water[d]
Department of Communities and Justice
Advocate for Children and Young People
John Williams Memorial Charitable Trust
Department of Customer Service
Safe Work NSW
Department of Education
Department of Enterprise, Investment and Trade[e]
NSW Government US Office Inc
General Incorporated Association (GIA) NSW Government
Department of Planning, Housing and Infrastructure[f]
Heritage Council of New South Wales
Department of Premier and Cabinet[g][h]
Department of Regional NSW
Aboriginal Fishing Trust Fund
Agricultural Scientific Collections Trust
Aquaculture Trust Fund
Charter Fishing Trust Fund
Coal Innovation Fund
Commercial Fishing Trust Fund
Fish Conservation Trust Fund
Fisheries Administration Ministerial Corporation
Game and Pest Management Trust Fund
Recreational Fishing (Fresh) Trust Fund
Recreational Fishing (Salt) Trust Fund
Regional Development Trust Fund
Department of Transport
Transport for NSW
Transport Service of New South Wales
Destination NSW
Destination NSW Staff Agency[e]
Electricity Assets Ministerial Holding Corporation
Electricity Retained Interest Corporation (ERIC-A)
Electricity Retained Interest Corporation (ERIC-E)
Electricity Transmission Ministerial Holding Corporation
Energy Corporation of New South Wales
Environment Protection Authority
Environment Protection Authority Staff Agency
Environmental Trust
Epsilon Distribution Ministerial Holding Corporation
Fire and Rescue NSW
Gaagal Wanggaan (South Beach) National Park Board of Management[b][*]
Generator Property Management Pty Ltd[*]
Greater Cities Commission[i]
Greater Cities Commission Staff Agency[j]
Greater Sydney Parklands Trust
Greyhound Welfare and Integrity Commission[*]
Office of the Greyhound Welfare and Integrity Commission
Health Care Complaints Commission
Health Care Complaints Commission Staff Agency
Home Purchase Assistance Fund
Hunter and Central Coast Development Corporation
Independent Commission Against Corruption
Independent Liquor and Gaming Authority
Independent Liquor and Gaming Authority Staff Agency
Independent Planning Commission
Office of the Independent Planning Commission
Independent Pricing and Regulatory Tribunal
Independent Pricing and Regulatory Tribunal Staff Agency
Information and Privacy Commission
Infrastructure NSW
Infrastructure NSW Staff Agency
Jobs for NSW Fund
Judicial Commission of New South Wales
Lands Administration Ministerial Corporation
Law Enforcement Conduct Commission
Office of the Law Enforcement Conduct Commission
Legal Aid Commission of New South Wales
Legal Aid Commission Staff Agency
Liability Management Ministerial Corporation
Library Council of New South Wales
Library Council of New South Wales Staff Agency
State Library of New South Wales Foundation
Local Land Services
Local Land Services Staff Agency
Long Service Corporation
Lord Howe Island Board[*]
Luna Park Reserve Trust
Mental Health Commission of New South Wales
Mental Health Commission Staff Agency
Ministry of Health[k]
Agency for Clinical Innovation
Albury Base Hospital
Albury Wodonga Health Employment Division
Bureau of Health Information
Cancer Institute (NSW)
Central Coast Local Health District
Clinical Excellence Commission
Far West Local Health District
Graythwaite Trust
Health Administration Corporation
Health Education and Training Institute
Health Professional Councils Authority Office
Hunter New England Local Health District
Illawarra Shoalhaven Local Health District
Justice Health and Forensic Mental Health Network
Mid North Coast Local Health District
Murrumbidgee Local Health District
Nepean Blue Mountains Local Health District
Northern NSW Local Health District
Northern Sydney Local Health District

South Eastern Sydney Local Health District
South Western Sydney Local Health District
Southern NSW Local Health District
Sydney Local Health District
The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)
Western NSW Local Health District
Western Sydney Local Health District
Museums of History NSW
Museums of History NSW and State Records Authority NSW Staff Agency
Multicultural NSW
Multicultural NSW Staff Agency
Mutawintji Board of Management[(b)(*)]
National Art School[(*)]
Natural Resources Access Regulator
Natural Resources Commission
Natural Resources Commission Staff Agency
New South Wales Crime Commission
New South Wales Crime Commission Staff Agency
New South Wales Electoral Commission
New South Wales Electoral Commission Staff Agency
New South Wales Government Telecommunications Authority
New South Wales Institute of Sport[(*)]
Institute of Sport Staff Agency
New South Wales Rural Assistance Authority
NSW Ovine Johne's Disease Transaction Based Contribution Scheme
New South Wales Technical and Further Education Commission
TAFE Commission (Senior Executives) Staff Agency
Northern Rivers Reconstruction Corporation[(l)]
NSW Crown Holiday Parks Trust[(*)]
NSW Education Standards Authority
NSW Education Standards Authority Staff Agency
NSW Food Authority
NSW Health Foundation[(*)]
NSW Independent Casino Commission
NSW Independent Casino Commission Staff Agency
NSW Police Force
NSW Reconstruction Authority
NSW Reconstruction Authority Staff Agency
NSW Self Insurance Corporation
NSW Skills Board[(*)]
NSW Trustee and Guardian
Office of Ageing and Disability Commissioner[(*)]
Office of Sport
Office of the Children's Guardian
Office of the Director of Public Prosecutions
Office of the Independent Review Officer
Office of the NSW Rural Fire Service
Office of the NSW State Emergency Services
Office of Transport Safety Investigations
Ombudsman's Office
Parliamentary Counsel's Office
Parramatta Park Trust[(*)]
Planning Ministerial Corporation
Port of Newcastle Lessor Ministerial Holding Corporation
Port Botany Lessor Ministerial Holding Corporation
Port Kembla Lessor Ministerial Holding Corporation
Premier's Department[(g)]
Office of the Inspector of the Law Enforcement Conduct Commission
Property and Development NSW[(m)]
Public Service Commission
Regional Growth NSW Development Corporation
Rental Bond Board
Responsible Gambling Fund[(*)]
Royal Botanic Gardens and Domain Trust
Service NSW
Sporting Injuries Compensation Authority[(*)]
State Insurance Regulatory Authority
State Records Authority NSW
Statutory Land Managers (numerous Trust Boards managing Crown Land Reserves)[(*)]
Sydney Metro
Sydney Olympic Park Authority
Technical Education Trust Fund[(*)]
The Cabinet Office[(h)]
The Legislature
The Treasury[(d)]
Trustees of the Anzac Memorial Building[(*)]
Trustees of the Museum of Applied Arts and Sciences
Trustees of the Museum of Applied Arts and Sciences Staff Agency
Water Administration Ministerial Corporation
Water Investment Trust Fund
Western Parkland City Authority
Advanced Manufacturing Research Facility Pty Limited
Western Parkland City Authority Staff Agency[(j)]
Western Sydney Parklands Trust
Worimi Board of Management[(b)(*)]
Workers' Compensation (Dust Diseases) Authority

Public Non-Financial Corporations

Catholic Metropolitan Cemeteries Trust[n]
Cobar Water Board
Essential Energy
Intium Pty Limited
Forestry Corporation of New South Wales
Hunter Water Corporation
Jenolan Caves Reserves Trust
Landcom
Metropolitan Memorial Parks Land Manager[o]
Newcastle Port Corporation
New South Wales Land and Housing Corporation
Northern Metropolitan Cemeteries Land Manager[o]
NSW Trains
Place Management NSW
Rookwood General Cemeteries Reserve Land Manager[o]
Rookwood Necropolis Land Manager
Southern Metropolitan Cemeteries Land Manager[o]
State Sporting Venues Authority
State Transit Authority of New South Wales[p]
Sydney Ferries
Sydney Opera House Trust
Sydney Opera House Trust Staff Agency
Sydney Trains
Sydney Water Corporation
Teacher Housing Authority of New South Wales
Transport Asset Holding Entity of New South Wales
Venues NSW
Venues NSW Staff Agency
Viral Vector Manufacturing Facility Pty Ltd[q]
Waste Assets Management Corporation
WaterNSW
WaterNSW Infrastructure Pty Ltd
Wentworth Park Sporting Complex Trust
Zoological Parks Board of New South Wales

Public Financial Corporations[r]

First Australian Mortgage Acceptance Corporation (FANMAC) Master Trust
First Australian Mortgage Acceptance Corporation (FANMAC) Pooled Super Trust
Insurance and Care NSW
Insurers' Guarantee Fund Investment Trust
Lifetime Care and Support Authority of New South Wales
Motor Accident Injuries Treatment and Care Benefits Fund
Long Service Corporation Investment Fund
NSW Generations (Debt Retirement) Fund Investment Trust
NSW Infrastructure Future Fund
NSW Treasury Corporation
SAS Trustee Corporation
SAS Trustee Corporation Staff Agency
Snowy Hydro Legacy Fund Investment Trust
Social and Affordable Housing NSW Fund Investment Trust
TCorpIM Australian Bond Fund
TCorpIM Australian Inflation Linked Bond Fund
TCorpIM Australian Share Fund
TCorpIM Bank Loan Fund
TCorpIM Core Alternatives Fund
TCorpIM Defensive Alternative Fund
TCorpIM Developed Market Property Fund
TCorpIM Developed Markets Equities (Hedged) Fund
TCorpIM Developed Markets Equities (Sovereign Investor - Hedged) Fund
TCorpIM Direct Infrastructure Fund A
TCorpIM Direct Investment Fund B
TCorpIM Direct Investment Fund C
TCorpIM Direct Investment Fund D
TCorpIM Direct Investment Fund E
TCorpIM Direct Investment Fund F
TCorpIM Direct Investment Fund G
TCorpIM Direct Investment Fund K
TCorpIM Direct Investment Fund M
TCorpIM Direct Investment Fund N
TCorpIM Emerging Market Debt Fund
TCorpIM Emerging Market Share Fund
TCorpIM Global Credit Fund[s]
TCorpIM High Yield Fund
TCorpIM Insurance Linked Securities Sovereign Investor Fund[t]
TCorpIM Liquidity Cash Fund
TCorpIM Long Term Growth Fund
TCorpIM Medium Term Growth Fund
TCorpIM Middle Market Bank Loan Fund[u]
TCorpIM Middle Market Bank Loan Fund B
TCorpIM Middle Market Credit European Fund[v]
TCorpIM Opportunistic Fund A
TCorpIM Opportunistic Fund B
TCorpIM Opportunistic Fund C
TCorpIM Opportunistic Fund E
TCorpIM Opportunistic Fund F
TCorpIM Opportunistic Fund I[w]
TCorpIM Opportunistic Liquidity Provision Fund
TCorpIM Receivables Fund[x]
TCorpIM Short Term Income Asset Class Fund
TCorpIM Short Term Income Fund
TCorpIM Sustainable Development (Infrastructure) Fund
TCorpIM Unlisted Infrastructure Fund
TCorpIM Unlisted Property Fund
Treasury Managed Fund Investment Portfolio

(a) In addition to the entities below, there are 574 Crown Land Managers and 73 Commons Trusts (2022-23: 570 Crown Land Managers and 115 Commons Trusts) controlled by the State. Refer to Note 1: Statement of Material Accounting Policy Information for further detail of these entities.
(b) National Park Boards of Management as per the *National Parks and Wildlife Act 1974*.
(c) The Building Insurers' Guarantee Corporation remained dormant during 2023-24 and was dissolved by the *Better Regulation Legislation Amendment (Miscellaneous) Act 2024 No 53* on 20 August 2024.
(d) Department of Climate Change, Energy, the Environment and Water was established and various functions from the former Department of Planning and Environment and the Treasury were transferred to the Department of Climate Change, Energy, the Environment and Water under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 6) 2023* effective 1 January 2024.
(e) Destination NSW Staff Agency was abolished and staff employed were transferred to the Department of Enterprise, Investment and Trade under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2024* effective 1 April 2024.
(f) Department of Planning and Environment was renamed to the Department of Planning, Housing and Infrastructure under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 6) 2023* effective 1 January 2024.
(g) Department of Premier and Cabinet was renamed to the Premier's Department under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 4) 2023* effective 1 July 2023.
(h) The Cabinet Office was established and various functions from the former Department of Premier and Cabinet were transferred to the Cabinet Office under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 4) 2023* effective 1 July 2023.
(i) Greater Cities Commission was abolished and its various functions were transferred to the Department of Planning, Housing and Infrastructure under the *Greater Cities Commission Repeal Bill 2023* effective 1 January 2024.
(j) Greater Cities Commission Staff Agency and Western Parkland City Authority Staff Agency were abolished and staff employed were transferred to the former Department of Planning and Environment under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 5) 2023* effective 1 July 2023.
(k) The special purpose service entities of the local health districts have not been listed.
(l) The Northern Rivers Reconstruction Corporation was abolished under the *Growth Centres (Development Corporations) Amendment (Dissolution of Northern Rivers Reconstruction Corporation) Order 2023* effective 31 October 2023.
(m) Property NSW was renamed to Property and Development NSW under the *Property NSW Amendment Act 2024 No 27* effective 31 May 2024.
(n) Catholic Metropolitan Cemeteries Trust was controlled by the State until it was dissolved on 30 June 2024. On 30 June 2024 new entities were appointed to manage Catholic cemeteries under the *Crown Land Management Act 2016* and subject to the *Catholic Cemeteries and Crematoria Trust Act 2024 No 44*. As a result, Catholic Metropolitan Cemeteries Trust was deconsolidated on 30 June 2024 given that new entities managing Catholic cemeteries are not controlled by the State.
(o) Northern Metropolitan Cemeteries Land Manager and Southern Metropolitan Cemeteries Land Manager were amalgamated with Rookwood General Cemeteries Reserve Land Manager and renamed Metropolitan Memorial Parks Land Manager under the *Crown Land Management Amendment Regulation 2023* effective 1 July 2023
(p) State Transit Authority ceased operations on 3 April 2022. The State Transit Authority will continue to exist as a legal entity until dissolved by Parliament.
(q) The entity was established on 23 February 2024.
(r) There were 50 TCorpIM Funds controlled by the State as of 30 June 2024 (45 TCorpIM Funds as of 30 June 2023). Out of this number, 31 TCorpIM Funds (27 TCorpIM Funds as of 30 June 2023) had unitholders not controlled by the State such as universities, local government authorities, and the Workers Compensation Nominal Insurer. The State's economic interest in the controlled TCorpIM Funds varied from 30% to 100% over 2023-24 (2022-23: 35% to 100%), while the State's voting rights percentage was either equal to its economic interest or higher since some non-State unitholders transfer their voting rights to the State through TCorp.
(s) The Fund was controlled and not controlled (under AASB 10) by the State during 2022-23 and 2023-24. The Fund was not controlled as at 30 June 2023 and was controlled as at 30 June 2024.
(t) Fund was established 2 November 2023.
(u) The Fund was controlled (under AASB 10) by the State during 2023-24 (2022-23: controlled and not controlled). The Fund was controlled as at 30 June 2023 and 30 June 2024.
(v) Fund was established 27 October 2023.
(w) Fund was established 9 January 2024.
(x) Fund was established 18 April 2024.
(*) These agencies are not considered material for whole-of-government reporting, so are excluded from individual agency budget reporting in Budget Paper 2. These agencies are however controlled and included in the consolidated financial statements of the State.

Note 39: Key Technical Terms used in the Financial Statements

ABS GFS Manual: The Australian Bureau of Statistics (ABS) publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods* as updated from time to time.

Advances: loans acquired or made for policy purposes rather than for liquidity management purposes.

Capital expenditure: this is expenditure relating to the acquisition or enhancement of property, plant, and equipment (including land and buildings, plant and equipment and infrastructure systems) and intangibles (including computer software and easements).

Cash surplus/(deficit): net cash flows from operating activities plus net cash flows from acquisition and disposal of non-financial assets (less distributions paid for the PNFC and PFC sectors).

Comprehensive result (total change in net worth before transactions with owners as owners): net result of all items of income and expense recognised for the period. It is the aggregate of the operating result and other movements in equity, other than transactions with owners as owners.

Contract asset: an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

Contract liability: an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Convergence difference: the difference between the amounts recognised in the financial statements compared with the amounts determined for GFS purposes as a result of differences in definition, recognition, measurement, classification and consolidation principles and rules.

Defined contribution superannuation plans: post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit superannuation plans: post-employment benefit plans other than defined contribution plans.

Fair value: 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.

Fair value hierarchy: categorises into three levels the inputs to valuation techniques used to measure fair value.

> **level 1 inputs:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
>
> **level 2 inputs:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
>
> **level 3 inputs:** unobservable inputs for the asset or liability**.**

Financial asset: any asset that is:

(a) cash

(b) an equity instrument of another entity

(c) a contractual right:

- (i) to receive cash or another financial asset from another entity, or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity, or

(d) a contract that will or may be settled in the entity's own equity instruments and is:

- (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial assets at fair value through other comprehensive income (FVOCI): financial assets are classified and measured at FVOCI if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets at fair value through profit or loss (FVTPL): financial assets are classified and measured at FVTPL unless they are measured at amortised cost or at FVOCI.

Financial liability: any liability that is:

(a) a contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity's own equity instruments and is:

- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

General Government Sector (GGS): an ABS classification of agencies that provide public services (such as health, education and police) or carry out policy or perform regulatory functions. GGS agencies are funded in the main by taxation (directly or indirectly).

Government Finance Statistics (GFS): a system of financial reporting developed by the International Monetary Fund and used by the Australian Bureau of Statistics to classify the financial transactions of governments and measure their impact on the rest of the economy.

Interest expense: costs incurred in connection with the borrowing of funds. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings. Where discounting is used, the carrying amount of a liability increases in each period to reflect the passage of time. This increase is also recognised as an interest expense.

Key fiscal aggregates: balances useful for macro-economic analysis purposes, including assessing the impact of a government and its sectors on the economy. AASB 1049 *Whole of Government and General Government Sector Financial Reporting* prescribes: net worth, net operating balance, net lending/(borrowing), total change in net worth, and cash surplus/(deficit).

National Partnership Payments (NPP): an Australian Government grant to States and Territories to support the delivery of specified outputs or projects, to facilitate reforms or to reward the delivery of nationally significant reforms. Each NPP is supported by a National Partnership Agreement which defines mutually agreed objectives, outputs and performance benchmarks.

National Specific Purpose Payments (SPP): an Australian Government grant made to the States and Territories under the associated National Agreement. These grants must be spent in the key service delivery sector for which it is provided. States are free to allocate the funds within that sector to achieve the mutually agreed objectives specified in the associated National Agreement.

Net acquisition of non-financial assets: This is purchases (or acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Purchases and sales (or net acquisitions) of non-financial assets generally include accrued expenses and payables for capital items. Other movements in non-financial assets include non-cash capital grant revenue/expenses such as developer contribution assets.

Net cash flows from investments in financial assets (liquidity management purposes): cash receipts from liquidation or repayment of investments in financial assets for liquidity management purposes less cash payments for such investments. Investment for liquidity management purposes means making funds available to others with no policy intent and with the aim of earning a commercial rate of return.

Net cash flows from investments in financial assets (policy purposes): cash receipts from the repayment and liquidation of investments in financial assets for policy purposes less cash payments for acquiring financial assets for policy purposes. Acquisition of financial assets for policy purposes is distinguished from investments in financial assets (liquidity management purposes) by the underlying government motivation for acquiring the assets. Acquisition of financial assets for policy purposes is motivated by government policies such as encouraging the development of certain industries or assisting citizens affected by natural disaster.

Net debt: equals the sum of financial liabilities (deposits held, borrowings, derivatives and advances received and other liabilities relating to the interests in TCorpIM Funds of investors not controlled by the State) less the sum of the following financial assets (cash and deposits, advances paid and investments, loans and placements).

Net defined benefit superannuation liability (asset): the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

Net financial liabilities: calculated as total liabilities, less financial assets, other than equity in PNFCs and PFCs. This fiscal aggregate measure is broader than net debt as it includes significant liabilities, other than borrowings (for example, accrued employee liabilities such as superannuation and long service leave entitlements).

Net interest on the net defined benefit liability/asset: this is the change during the period to the net defined superannuation liability/asset that arises from the passage of time.

Net gain on equity investments in other sectors: comprises the net gains relating to the equity held by the GGS in other sector entities. It arises from a change in the carrying amount of net assets of the subsidiaries. The net gains are measured (in the absence of market values) based on the carrying amount of net assets/ (liabilities) before elimination of inter-sector balances.

Net lending/(borrowing): the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

Net operating balance (net result from transactions): calculated as revenue from transactions minus expenses from transactions. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth: an economic measure of wealth and is equal to total assets less total liabilities.

Operating result: a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'.

Other economic flows: changes in the volume or value of an asset or liability that do not result from transactions (that is, revaluations and other changes in the volume of assets).

Other superannuation expense: it includes all superannuation expenses from transactions except superannuation interest cost. Superannuation actuarial gains/losses are excluded as they are disclosed under 'other economic flows'.

Performance obligation: a promise in a revenue contract with a customer to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Public Financial Corporations (PFC) sector: an ABS classification of government-controlled agencies that have one or more of the following functions:

(a) that of a central bank;

(b) the acceptance of demand, time or savings deposits, or

(c) the authority to incur liabilities (such as insurance) and acquire financial assets in the market on their own account.

Public Non-Financial Corporations (PNFC) sector: an ABS classification, for GFS purposes, of agencies where user charges represent a significant proportion of revenue and the agencies operate within a broadly commercial orientation.

Service concession arrangement: a contract effective during the reporting period between a grantor and an operator in which:

(a) the operator has the right of access to the service concession asset (or assets) to provide public services on behalf of the grantor for a specified period of time;

(b) the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor; and

(c) the operator is compensated for its services over the period of the service concession arrangement.

Service concession arrangement – financial liability model: a service concession arrangement where the grantor has a contractual obligation to deliver cash or another financial asset to the operator for the construction, development, acquisition or upgrade of a service concession asset.

Service concession arrangement – grant of a right to the operator (GORTO) model: a service concession arrangement where the grantor does not have a contractual obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and instead grants the operator the right to earn revenue from third-party users or access to another revenue-generating asset.

Service concession asset: an asset (other than goodwill) to which the operator has the right of access to provide public services on behalf of the grantor in a service concession arrangement that:

(a) the operator constructs, develops, upgrades or replaces major components, or acquires from a third party or is an existing asset of the operator; or

(b) is an existing asset of the grantor, including a previously unrecognised identifiable intangible asset and land under roads, or an upgrade to or replacement of a major component of an existing asset of the grantor.

Service concession grantor: the entity that grants the right to access the service concession asset to the operator.

Service concession operator: the entity that has a right of access to the service concession asset to provide public services.

Superannuation interest cost: the net interest on the net defined benefit liability/asset.

TCorpIM Funds: are managed investment schemes available to NSW public sector entities, NSW universities and some foundations and charities. They are structured as units trusts and are managed by TCorp.

Total State Sector (TSS): represents all agencies and corporations owned and controlled by the NSW Government. It comprises the GGS, PNFC sector and PFC sector.

Transactions: interactions between two institutional units by mutual agreement or actions within a unit that it is analytically useful to treat as transactions, such as depreciation expense. Unlike revaluations, transactions generally reflect economic events that impact the economy.

End of Audited Financial Statements

Uniform Presentation Framework:

Outcomes Report

2023 - 2024

UNIFORM PRESENTATION FRAMEWORK: OUTCOMES REPORT

Purpose

The Outcomes Report presents financial aggregates according to the Uniform Presentation Framework (UPF) agreed by the Council on Federal Financial Relations (CFFR) in February 2019.

The UPF is an agreed framework between the Australian, State and Territory governments for the presentation of government financial information on a basis broadly consistent with the Australian Accounting Standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. This framework sets out the minimum information to be reported by governments.

The UPF financial aggregates serve a number of purposes including:

- allowing comparisons between the financial position of Australian governments on a consistent basis
- facilitating time series comparisons since they are relatively unaffected by changes in public sector administrative structures, and
- permitting an assessment of the impact of NSW public sector transactions on the economy by providing data classified by economic type.

Relationship with other reporting

Information in the Outcomes Report is not audited, however it has been prepared consistent with the audited Total State Sector Accounts.

Several tables in the Outcomes Report are similar with those reported in the Total State Sector Accounts and are repeated here for completeness.

The Outcomes Report compares the published NSW Budget for 2023-24 with the outcome for the year.

Financial aggregates are published for the following:

- general government (GGS) sector
- public non-financial corporation (PNFC) sector
- non-financial public (NFPS) sector
- public financial corporation (PFC) sector.

Budget estimates are not prepared for the NSW PFC sector. In addition to the reporting requirements, a consolidated NSW Total State Sector Statement of Financial Position by sector (Table 1) has been included. This assists in analysis of the Consolidated Statement of Financial Position for the Total State Sector.

Table 1: NSW Public Sector Consolidated Statement of Financial Position at 30 June 2024[(a)]

	General Government Sector	Public Non-Financial Corporations	Non-Financial Public Sector	Public Financial Corporations	Total State Sector
	$m	$m	$m	$m	$m
Assets					
Financial Assets					
Cash and Cash Equivalents	6,886	3,746	10,633	6,858	17,314
Receivables	13,759	1,415	14,067	41,639	54,220
Investments, Loans and Placements					
Financial Assets at Fair Value	50,460	502	50,962	244,800	76,222
Other Financial Assets	2,633	766	2,678	3	2,570
Advances Paid	930	52	701	...	701
Tax Equivalents Receivable	98	6	15	...	...
Deferred Tax Equivalents Receivable	3,915	40	0	...	...
Equity Investments					
Investments in Other Public Sector Entities	155,966	...	14,220	...	...
Investments in Associates and Joint Ventures	10,372	...	10,372	1,622	11,994
Other Equity Investments	15	...	15	30,171	30,186
Total Financial Assets	**245,034**	**6,529**	**103,663**	**325,094**	**193,207**
Non-Financial Assets					
Contract Assets	73	16	87	...	87
Inventories	1,280	791	1,530	...	1,530
Forestry Stock and Other Biological Assets	17	781	798	...	798
Assets Classified as Held for Sale	190	87	277	...	277
Investment Properties	...	609	609	1,101	1,710
Property, Plant and Equipment					
Land and Buildings	139,379	96,469	235,849	16	235,864
Plant and Equipment	15,662	6,522	22,184	7	22,191
Infrastructure Systems	223,829	70,773	295,124	637	295,760
Right-of-Use Assets	6,288	4,234	10,360	91	10,462
Intangibles	5,647	1,044	6,691	148	6,839
Other Non-Financial Assets	1,729	504	2,230	120	2,345
Total Non-Financial Assets	**394,094**	**181,830**	**575,737**	**2,120**	**577,862**
Total Assets	**639,128**	**188,358**	**679,400**	**327,214**	**771,069**
Liabilities					
Deposits Held	344	35	379	215	417
Payables	9,691	2,820	11,722	33,129	43,538
Contract Liabilities	864	239	1,091	...	1,091
Borrowings and Derivatives at Fair Value	9	1	10	198,629	198,415
Borrowings at Amortised Cost	153,485	35,738	188,453	2,519	22,082
Advances Received	438	282	438	...	438
Employee Benefits Liabilities	29,267	1,330	30,586	67	30,652
Superannuation Provision[(b)]	38,134	1,107	39,241	0	39,241
Tax Equivalents Payable	4	84	0	15	...
Deferred Tax Equivalents Provision	40	3,915	(0)	...	...
Other Provisions	18,430	708	18,812	9,159	27,841
Other Liabilities	21,268	293	21,514	69,253	40,199
Total Liabilities	**271,973**	**46,552**	**312,244**	**312,986**	**403,914**
NET ASSETS	**367,156**	**141,807**	**367,156**	**14,228**	**367,156**

Table 1: NSW Public Sector Consolidated Statement of Financial Position at 30 June 2024 (cont)

	General Government Sector	Public Non-financial Corporations	Non-financial Public Sector	Public Financial Corporations	Total State Sector
	$m	$m	$m	$m	$m
NET WORTH					
Accumulated Funds	69,270	53,476	113,313	13,827	105,716
Reserves	297,885	88,333	253,843	400	261,440
TOTAL NET WORTH	**367,156**	**141,807**	**367,156**	**14,228**	**367,156**
OTHER FISCAL AGGREGATES					
Net Debt[(c)]	**93,365**	**30,988**	**124,305**	**18,922**	**143,197**
Net Financial Liabilities[(d)]	**182,904**	**40,023**	**222,801**	**(12,108)**	**210,707**
Net Financial Worth[(e)]	**(26,938)**	**(40,023)**	**(208,581)**	**12,108**	**(210,707)**

(a) This table has been presented on a liquidity basis as per AASB 1049. Amounts may not add across due to inter sector eliminations.
(b) The superannuation provision is reported net of the fair value of fund assets.
(c) Net debt equals the sum of deposits held, advances received, borrowings and other liabilities relating to the interests in TCorpIM Funds of investors not controlled by the State minus the sum of cash and cash equivalents, advances paid and investments, loans and placements.
(d) Net financial liabilities equals total liabilities less financial assets excluding equity investments in other public sector entities.
(e) Net financial worth equals total financial assets minus total liabilities.

Table 2: NSW General Government Sector Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024

	2023-24 Budget $m	2023-24 Actual $m
Revenue from Transactions		
Taxation	44,862	44,603
Grants and Subsidies	46,617	46,069
Sale of Goods and Services	10,603	10,156
Interest	504	768
Dividend and Income Tax Equivalents from Other Sectors	752	679
Other Dividends and Distributions	2,637	1,432
Fines, Regulatory Fees and Other	6,405	6,512
Total Revenue from Transactions	**112,379**	**110,219**
Expenses from Transactions		
Employee	43,530	46,131
Superannuation		
Superannuation Interest Cost	1,618	1,661
Other Superannuation	4,162	4,619
Depreciation and Amortisation	8,551	8,601
Interest	5,501	6,019
Other Operating Expenses	28,738	27,994
Grants, Subsidies and Other Transfer	28,125	25,883
Total Expenses from Transactions	**120,227**	**120,909**
BUDGET RESULT - SURPLUS/(DEFICIT) [Net Operating Balance]	**(7,847)**	**(10,690)**

Table 2: NSW General Government Sector Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024(cont)

	2023-24 Budget $m	2023-24 Actual $m
Other Economic Flows - Included in the Operating Result		
Gain/(Loss) from Liabilities	(667)	(106)
Other Net Gains/(Losses)	1,218	2,110
Share of Earnings/(Losses) from Equity Investments (excluding Dividends)	(25)	(169)
Dividends from Asset Sale Proceeds	39	40
Deferred Income Tax from Other Sectors	(103)	67
Other	(42)	(129)
Other Economic Flows - included in Operating Result	**421**	**1,813**
Operating Result	**(7,426)**	**(8,877)**
Other Economic Flows - Other Comprehensive Income		
Items that will not be Reclassified to Operating Result	**1,931**	**54,075**
Revaluations	4,907	15,681
Share of Associate's Other Comprehensive Income/(Loss) that will not be Reclassified Subsequently to Operating Result	...	138
Remeasurements of Post-Employment Benefits	(1,819)	3,649
Net Gain/(Loss) on Financial Assets at Fair Value through Other Comprehensive Income	(1,312)	34,104
Deferred Tax Direct to Equity	136	271
Other	20	232
Items that may be Reclassified Subsequently to Operating Result	**...**	**(0)**
Net Gain/(Loss) on Financial Instruments at Fair Value	...	(0)
Other Economic Flows - Other Comprehensive Income	**1,931**	**54,075**
Comprehensive Result - Total Change in Net Worth	**(5,495)**	**45,198**
Key Fiscal Aggregates		
Comprehensive Result - Total Change in Net Worth	**(5,495)**	**45,198**
Less: Net Other Economic Flows	(2,352)	(55,888)
Equals: Budget Result - Net Operating Balance	**(7,847)**	**(10,690)**
Less: Net Acquisition of Non-Financial Assets		
Purchases of Non-Financial Assets[(a)]	20,329	20,881
Sales of Non-Financial Assets	(1,267)	(337)
Less: Depreciation	(8,551)	(8,601)
Plus: Change in Inventories	(50)	143
Plus: Other Movements in Non-Financial Assets		
Assets Acquired Using Leases[(a)]	809	1,131
Assets Acquired Using Service Concession Arrangements under		
Financial Liability Model[(a)]	1,089	907
Grant of a Right to the Operator Model	441	282
Other	(1,005)	(744)
Equals: Total Net Acquisition of Non-Financial Assets	**11,794**	**13,662**
Equals: Net Lending/(Borrowing) [Fiscal Balance]	**(19,642)**	**(24,351)**
OTHER FISCAL AGGREGATES		
Capital Expenditure[(a)]	**22,227**	**22,919**

(a) Capital expenditure comprises purchases of non-financial assets, assets acquired using leases and assets acquired using service concession arrangements under the financial liability model.

Table 3: NSW General Government Sector Consolidated Statement of Financial Position at 30 June 2024[(a)]

	2024 Budget $m	2024 Actual $m
Assets		
Financial Assets		
Cash and Cash Equivalents	244	6,886
Receivables	11,691	13,759
Investments, Loans and Placements		
Financial Assets at Fair Value	49,393	50,460
Other Financial Assets	2,533	2,633
Advances Paid	995	930
Tax Equivalents Receivable	61	98
Deferred Tax Equivalents Receivable	3,407	3,915
Equity Investments		
Investments in Other Public Sector Entities	125,876	155,966
Investments in Associates and Joint Ventures	8,831	10,372
Other Equity Investments	15	15
Total Financial Assets	**203,046**	**245,034**
Non-Financial Assets		
Contract Assets	499	73
Inventories	1,148	1,280
Forestry Stock and Other Biological Assets	16	17
Assets Classified as Held for Sale	151	190
Property, Plant and Equipment		
Land and Buildings	134,858	139,379
Plant and Equipment	15,097	15,662
Infrastructure Systems	216,252	223,829
Right-of-Use Assets	6,174	6,288
Intangibles	5,472	5,647
Other Non-Financial Assets	1,906	1,729
Total Non-Financial Assets	**381,572**	**394,094**
Total Assets	**584,618**	**639,128**
Liabilities		
Deposits Held	328	344
Payables	9,876	9,691
Contract Liabilities	848	864
Borrowings and Derivatives at Fair Value	17	9
Borrowings at Amortised Cost	144,999	153,485
Advances Received	445	438
Employee Benefits Liabilities	27,198	29,267
Superannuation Provision[(b)]	42,686	38,134
Tax Equivalents Payable	0	4
Deferred Tax Equivalents Provision	48	40
Other Provisions	16,225	18,430
Other Liabilities	21,342	21,268
Total Liabilities	**264,011**	**271,973**
NET ASSETS	**320,606**	**367,156**

Table 3: NSW General Government Sector Consolidated Statement of Financial Position at 30 June 2024 (cont)

	2024 Budget $m	2024 Actual $m
NET WORTH		
Accumulated Funds	63,348	69,270
Reserves	257,258	297,885
TOTAL NET WORTH	**320,606**	**367,156**
OTHER FISCAL AGGREGATES		
Net Debt[c]	**92,624**	**93,365**
Net Financial Liabilities[d]	**186,841**	**182,904**
Net Financial Worth [e]	**(60,966)**	**(26,938)**

(a) This table has been presented on a liquidity basis as per AASB 1049.
(b) The superannuation provision is reported net of the fair value of fund assets.
(c) Net debt equals the sum of deposits held, advances received, borrowings and other liabilities relating to the interests in TCorpIM Funds of investors not controlled by the State, minus the sum of cash and cash equivalents, advances paid and investments, loans and placements.
(d) Net financial liabilities equals total liabilities less financial assets excluding equity investments in other public sector entities.
(e) Net financial worth equals total financial assets minus total liabilities.

Table 4: NSW General Government Sector Consolidated Statement of Cash Flows for the Year Ended 30 June 2024

	2023-24 Budget $m	2023-24 Actual $m
Cash Receipts from Operating Activities		
Taxation	44,825	43,182
Sale of Goods and Services	10,993	10,054
Grants and Subsidies	45,963	46,154
Interest	458	666
Dividends and Income Tax Equivalents from Other Sectors	933	537
Other	11,140	12,325
Total Cash Receipts from Operating Activities	**114,312**	**112,919**
Cash Payments from Operating Activities		
Employee Related	(42,569)	(43,245)
Superannuation	(5,717)	(6,181)
Payments for Goods and Services	(27,966)	(26,306)
Grants and Subsidies	(26,838)	(24,687)
Interest	(4,356)	(4,294)
Other	(6,770)	(7,827)
Total Cash Payments from Operating Activities	**(114,210)**	**(112,541)**
Net Cash Flows from Operating Activities	**102**	**378**
Cash Flows from Investments in Non-Financial Assets		
Proceeds from Sale of Non-Financial Assets	1,895	597
Purchases	(18,845)	(20,696)
Net Cash Flows from Investments in Non-Financial Assets	**(16,950)**	**(20,099)**
Cash Flows from Investments in Financial Assets for Policy Purposes		
Receipts	192	175
Payments	(362)	(235)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**(170)**	**(60)**
Cash Flows from Investments in Financial Assets for Liquidity Purposes		
Proceeds from Sale of Investments	2,372	3,135
Purchase of Investments	(223)	(1,662)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**2,149**	**1,474**
Net Cash Flows from Investing Activities	**(14,971)**	**(18,686)**
Cash Flows from Financing Activities		
Advances (Net)	(55)	(77)
Proceeds from Borrowings	12,174	21,040
Repayments of Borrowings	(3,350)	(2,122)
Deposits Received/(Paid) - (Net)	...	9
Other (Net)	(0)	0
Net Cash Flows from Financing Activities	**8,769**	**18,850**
Net Increase/(Decrease) in Cash Held	**(6,100)**	**542**
Opening Cash and Cash Equivalents	6,344	6,344
Reclassification of Cash Equivalents and Other Adjustments	0	(0)
CLOSING CASH AND CASH EQUIVALENTS	**244**	**6,886**
Derivation of Cash Result		
Net Cash Flows from Operating Activities	102	378
Net Cash Flows from Investments in Non-Financial Assets	(16,950)	(20,099)
Cash Surplus/(Deficit)	**(16,848)**	**(19,721)**

Table 5: NSW General Government Sector Taxes

	2023-24 Budget $m	2023-24 Actual $m
Taxes on Employers' Payroll and Labour Force	**12,804**	**12,632**
Taxes on Property		
Land Taxes	6,948	7,084
Other	190	205
Total Taxes on Property	**7,139**	**7,289**
Taxes on the Provision of Goods and Services		
Excises and Levies	...	...
Taxes on Gambling	3,421	3,507
Taxes on Insurance	4,078	4,066
Transfer Duties on Financial and Capital Transactions	12,127	11,789
Total Taxes on the Provision of Goods and Services	**19,626**	**19,361**
Taxes on Use of Goods and Performance of Activities		
Motor Vehicle Taxes	4,251	4,305
Franchise Taxes	0	...
Other	1,043	1,016
Total Taxes on Use of Goods and Performance of Activities	**5,293**	**5,321**
Total Taxation Revenue	**44,862**	**44,603**

Table 6: NSW General Government Sector Dividend and Income Tax Equivalent Income

	2023-24 Budget $m	2023-24 Actual $m
Dividend and Income Tax Revenue from the PNFC Sector	404	489
Dividend and Income Tax Revenue from the PFC Sector	347	190
Other Dividend Income	2,637	1,432
Total Dividend and Income Tax Equivalent Income	**3,389**	**2,111**

Table 7: NSW General Government Sector Grant Revenue and Expense

	2023-24 Budget $m	2023-24 Actual $m
Current Grants and Subsidies		
Current Grants from the Commonwealth[(a)]		
General Purpose Grants	26,193	26,665
Specific Purpose Payments	12,644	12,958
National Partnership Payments	2,439	1,505
Other Commonwealth Payments	457	491
Total	**41,733**	**41,620**
Other Grants and Subsidies	971	902
Total Current Grants and Subsidies Revenue	**42,704**	**42,522**
Capital Grants and Subsidies		
Capital Grants from the Commonwealth[(a)]		
General Purpose Payments	...	...
Specific Purpose Payments	...	...
National Partnership Payments	3,840	3,483
Other Commonwealth Payments	...	...
Total	**3,840**	**3,483**
Other Grants and Subsidies	72	63
Total Capital Grants and Subsidies Revenue	**3,912**	**3,546**
Total Grants and Subsidies Revenue	**46,617**	**46,069**
Current Grants, Subsidies and Transfer Payments Expense to:		
State/Territory Government	0	13
Local Government [(a)]	2,817	3,468
Private and Not-for-Profit Sector [(a)]	13,102	12,182
Other Sectors of Government	7,784	7,919
Total Current Grants, Subsidies and Transfer Payments Expense	**23,703**	**23,582**
Capital Grants, Subsidies and Transfer Payments to:		
State/Territory Government	...	...
Local Government [(a)]	1,695	305
Private and Not-for-Profit Sector [(a)]	1,019	1,011
Other Sectors of Government	1,708	986
Total Capital Grants, Subsidies and Transfer Payments Expense	**4,422**	**2,301**
Total Grants and Subsidies Expense	**28,125**	**25,883**

(a) Grant revenue and expenses above exclude the following transfer payments from the Commonwealth government that New South Wales passes on to third parties. They are not recorded as New South Wales revenue and expense as the State has no control over the amounts that it passes on.

	2023-24 Budget $m	2023-24 Actual $m
Transfer Receipts and Payments from the Commonwealth Government on-passed by New South Wales to Third Parties		
Transfer Receipts		
Current Transfer Receipts for Specific Purposes	6,306	6,872
Capital Transfer Receipts for Specific Purposes	...	...
Total Receipts	**6,306**	**6,872**
Current Transfer Payments to:		
Local Government	951	896
Private and Not-For-Profit Sector	5,354	5,976
Capital Transfer Payments to:		
Local Government	...	...
Private and Not-For-Profit Sector	...	...
Total Payments	**6,306**	**6,872**

Table 8: NSW General Government Sector Expenses by Function[(a)]

	2023-24 Budget $m	2023-24 Actual $m
General Public Services		
Executive and legislative organs, financial and fiscal affairs, external affairs	362	903
General Services	2,387	2,332
Public debt transactions	6,859	7,439
Transfers of a general character between different levels of government	1,167	144
General public services n.e.c.	1,823	2,917
Total General Public Services	12,598	13,736
Defence		
Total Defence	...	...
Public Order and Safety		
Police services	4,720	5,213
Civil and fire protection services	1,618	1,955
Law courts	1,808	1,976
Prisons	2,462	2,824
Public order and safety n.e.c.	186	237
Total Public Order and Safety	10,794	12,204
Economic Affairs		
General economic, commercial and labour affairs	4,107	4,076
Agriculture, forestry, fishing and hunting	1,233	1,374
Fuel and energy	1,070	871
Mining, manufacturing and construction	48	54
Communication	256	203
Other industries	106	48
Economic affairs n.e.c.	54	20
Total Economic Affairs	6,874	6,646
Environmental Protection		
Pollution abatement	12	15
Protection of biodiversity and landscape	15	21
Environmental protection n.e.c.	1,985	1,856
Total Environmental Protection	2,012	1,892
Housing and Community Amenities		
Housing development	508	181
Community development	1,974	1,168
Water supply	805	547
Total Housing and Community Amenities	3,287	2,241
Health		
Medical products, appliances and equipment	536	637
Outpatient services	4,856	4,936
Hospital services	17,629	19,317
Mental health institutions	388	445
Community health services	4,444	4,027
Public health services	2,012	897
Research & development health	443	481
Health n.e.c.	220	187
Total Health	30,528	30,925

Table 8: NSW General Government Sector Expenses by Function[(a)] (cont)

	2023-24 Budget $m	2023-24 Actual $m
Recreation, Culture and Religion		
Recreational and sporting services	841	594
Cultural services	845	792
Recreation, culture and religion n.e.c.	74	70
Total Recreation, culture and religion	1,761	1,457
Education		
Pre-primary and primary education	8,996	9,036
Secondary education	7,073	7,563
Tertiary education	2,623	2,869
Education not definable by level	(0)	...
Subsidiary services to education	501	568
Education n.e.c.	2,471	2,759
Total Education	21,664	22,795
Social Protection		
Sickness and disability	3,600	3,455
Old age	422	454
Family and children	2,922	3,036
Housing	1,087	1,181
Social exclusion n.e.c.	950	948
Social protection n.e.c.	1,912	1,609
Total Social Protection	10,893	10,684
Transport		
Road transport	6,954	8,552
Bus transport	(0)	...
Water transport	193	197
Railway transport	7,445	5,940
Multi-mode urban transport	5,168	3,588
Transport n.e.c.	55	52
Total Transport	19,815	18,329
Total Expenses	**120,227**	**120,909**

Notes:
n.e.c. not elsewhere classified.
(a) The original budget included $130 million to the Treasurer for expenditure related to the government's response to address a natural disaster or the impact of a natural disaster in the Northern Rivers or Central West regions and appropriation to the Treasurer of $20 million to integrity agencies.

Table 9: NSW General Government Sector Purchases of Non Financial-Assets by Function [(a)(b)]

	2023-24 Budget $m	2023-24 Actual $m
General public services	1,546	874
Defence	...	...
Public order and safety	899	799
Economic affairs	1,529	823
Environmental protection	24	234
Housing and community amenities	489	260
Health	2,515	2,708
Recreation, culture and religion	175	145
Education	2,149	2,675
Social protection	362	194
Transport	12,539	14,206
Total Purchases	**22,227**	**22,919**

(a) This table comprises purchases of non-financial assets, including assets acquired under leases and assets acquired using service concession arrangements under the financial liability model, and reconciles to the General Government Sector capital expenditure program.
(b) The original budget included $20 million to the Treasurer for expenditure related to the government's response to address a natural disaster or the impacts of a natural disaster in the Northern Rivers or Central West regions.

Table 10: NSW Public Non-Financial Corporation Sector Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024

	2023-24 Budget	2023-24 Actual
	$m	$m
Revenue from Transactions		
Grants and Subsidies	5,958	5,468
Sale of Goods and Services	8,475	8,799
Interest	112	214
Other Dividends and Distributions	21	13
Fines, Regulatory Fees and Other	657	651
Total Revenue from Transactions	**15,224**	**15,145**
Expenses from Transactions		
Employee	2,689	2,746
Personnel Services Expenses[(a)]	331	305
Superannuation		
Superannuation Interest Cost	49	34
Other Superannuation	256	295
Depreciation and Amortisation	3,105	3,455
Interest	1,250	1,347
Income Tax Equivalents	285	204
Other Operating Expenses	6,203	6,300
Grants, Subsidies and Other Transfer	74	401
Total Expenses from Transactions	**14,241**	**15,087**
NET OPERATING BALANCE - SURPLUS/(DEFICIT) AFTER TAX	**982**	**58**

Table 10: NSW Public Non-Financial Corporation Sector Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024(cont)

	2023-24 Budget $m	2023-24 Actual $m
Other Economic Flows - Included in the Operating Result		
Gain/(Loss) from Liabilities	...	(12)
Other Net Gains/(Losses)	(205)	87
Deferred Income Tax from Other Sectors	103	(36)
Other	(3)	(1)
Other Economic Flows - included in Operating Result	**(105)**	**37**
Operating Result	**878**	**95**
Other Economic Flows - Other Comprehensive Income		
Items that will not be Reclassified to Operating Result	**(15)**	**33,944**
Revaluations	479	34,109
Remeasurements of Post-Employment Benefits	(116)	182
Deferred Tax Direct to Equity	(136)	(271)
Other	(243)	(75)
Items that may be Reclassified Subsequently to Operating Result	**(0)**	**1**
Net Gain/(Loss) on Financial Instruments at Fair Value	(0)	1
Other Economic Flows - Other Comprehensive Income	**(15)**	**33,945**
Comprehensive Result - Before Transactions with Owners in their capacity as Owners	**862**	**34,041**
Dividends Distributed	(323)	(324)
Net Equity Injections/(Transfers)	(196)	(1,142)
Comprehensive Result - Total Change in Net Worth	**343**	**32,574**
Key Fiscal Aggregates		
Comprehensive Result - Before Transactions with Owners in their capacity as Owners	**862**	**34,041**
Less: Net Other Economic Flows	120	(33,983)
Equals: Net Operating Balance	**982**	**58**
Less: Net Acquisition of Non-Financial Assets		
Purchases of Non-Financial Assets(b)	7,573	5,963
Sales of Non-Financial Assets	(211)	(155)
Less: Depreciation	(3,105)	(3,455)
Plus: Change in Inventories	393	170
Plus: Other Movements in Non-Financial Assets		
Assets Acquired Using Leases(b)	65	1,996
Assets Acquired Using Service Concession Arrangements under		
Financial Liability Model(a)	...	...
Grant of a Right to the Operator Model	...	...
Other	440	81
Equals: Total Net Acquisition of Non-Financial Assets	**5,155**	**4,600**
Equals: Net Lending/(Borrowing) [Fiscal Balance]	**(4,173)**	**(4,542)**
OTHER FISCAL AGGREGATES		
Capital Expenditure(b)	7,638	7,959
Dividend Accrued	323	324

(a) Personnel service expenses are shown as a separate line in these UPF tables, they are included as employee expenses in the Total State Sector Accounts.

(b) Capital expenditure comprises purchases of non-financial assets, assets acquired using leases and assets acquired using service concession arrangements under the financial liability model.

Table 11: NSW Public Non-Financial Corporation Sector Consolidated Statement of Financial Position at 30 June 2024[(a)]

	2024 Budget $m	2024 Actual $m
Assets		
Financial Assets		
Cash and Cash Equivalents	2,497	3,746
Receivables	1,702	1,415
Investments, Loans and Placements		
Financial Assets at Fair Value	519	502
Other Financial Assets	767	766
Advances paid	22	52
Tax Equivalents Receivable	...	6
Deferred Tax Equivalents Receivable	48	40
Equity Investments		
Other Equity Investments	...	...
Total Financial Assets	**5,556**	**6,529**
Non-Financial Assets		
Contract Assets	14	16
Inventories	1,028	791
Forestry Stock and Other Biological Assets	626	781
Assets Classified as Held for Sale	6	87
Investment Properties	606	609
Property, Plant and Equipment		
Land and Buildings	85,914	96,469
Plant and Equipment	5,106	6,522
Infrastructure Systems	56,110	70,773
Right-of-Use Assets	4,015	4,234
Intangibles	1,241	1,044
Other Non-Financial Assets	410	504
Total Non-Financial Assets	**155,076**	**181,830**
Total Assets	**160,632**	**188,358**
Liabilities		
Deposits Held	35	35
Payables	2,484	2,820
Contract Liabilities	92	239
Borrowings and Derivatives at Fair Value	3	1
Borrowings at Amortised Cost	36,907	35,738
Advances Received	282	282
Employee Benefits Liabilities	1,285	1,330
Superannuation Provision[(b)]	1,278	1,107
Tax Equivalents Payable	47	84
Deferred Tax Equivalents Provision	3,407	3,915
Other Provisions	619	708
Other Liabilities	243	293
Total Liabilities	**46,682**	**46,552**
NET ASSETS	**113,950**	**141,807**

Table 11: NSW Public Non-Financial Corporation Sector Consolidated Statement of Financial Position at 30 June 2024 (cont)

	2024 Budget $m	2024 Actual $m
NET WORTH		
Accumulated Funds	55,809	53,476
Reserves	58,141	88,333
TOTAL NET WORTH	**113,950**	**141,807**
OTHER FISCAL AGGREGATES		
Net Debt[c]	**33,422**	**30,988**
Net Financial Liabilities[d]	**41,126**	**40,023**
Net Financial Worth[e]	**(41,126)**	**(40,023)**

(a) This table has been presented on a liquidity basis as per AASB 1049.
(b) The superannuation provision is reported net of the fair value of fund assets.
(c) Net debt equals the sum of deposits held, advances received, borrowings and other liabilities relating to the interests in TCorpIM Funds of investors not controlled by the State minus the sum of cash and cash equivalents, advances paid and investments, loans and placements.
(d) Net financial liabilities equals total liabilities less financial assets excluding equity investments in other public sector entities.
(e) Net financial worth equals total financial assets minus total liabilities.

Table 12: NSW Public Non-Financial Corporation Sector Consolidated Statement of Cash Flows for the Year Ended 30 June 2024

	2023-24 Budget $m	2023-24 Actual $m
Cash Receipts from Operating Activities		
Sale of Goods and Services	8,575	9,147
Grants and Subsidies	5,949	5,472
Interest	90	186
Other	1,261	1,827
Total Cash Receipts from Operating Activities	**15,876**	**16,632**
Cash Payments from Operating Activities		
Employee Related	(2,881)	(2,871)
Personnel Services[(a)]	(331)	(305)
Superannuation	(373)	(328)
Payments for Goods and Services[(a)]	(6,281)	(6,336)
Grants and Subsidies	(74)	(80)
Interest	(1,230)	(1,199)
Distributions Paid	(480)	(84)
Other	(1,303)	(1,443)
Total Cash Payments from Operating Activities	**(12,954)**	**(12,646)**
Net Cash Flows from Operating Activities	**2,922**	**3,985**
Cash Flows from Investments in Non-Financial Assets		
Proceeds from Sale of Non-financial Assets	211	155
Purchases	(7,614)	(5,693)
Net Cash Flows from Investments in Non-financial Assets	**(7,403)**	**(5,538)**
Cash Flows from Investments in Financial Assets for Policy Purposes		
Receipts	15	19
Payments	(6)	(7)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**9**	**12**
Cash Flows from Investment in Financial Assets for Liquidity Purposes		
Proceeds from Sale of Investments	59	55
Purchase of Investments	...	(67)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**59**	**(12)**
Net Cash Flows from Investing Activities	**(7,335)**	**(5,538)**
Cash Flows from Financing Activities		
Advances (Net)	(31)	(12)
Proceeds from Borrowings	3,628	2,232
Repayments of Borrowings	(533)	(725)
Dividends Paid	(333)	(333)
Deposits Received/(Paid) - (Net)	(0)	0
Other (Net)	(6)	3
Net Cash Flows from Financing Activities	**2,725**	**1,165**
Net Increase/(Decrease) in Cash Held	**(1,689)**	**(388)**
Opening Cash and Cash Equivalents	4,134	4,134
Reclassification of Cash Equivalents	52	...
CLOSING CASH AND CASH EQUIVALENTS	**2,497**	**3,746**
Derivation of Cash Result		
Net Cash Flows from Operating Activities	2,922	3,985
Net Cash Flows from Investments in Non-Financial Assets	(7,403)	(5,538)
Dividend Distributions	(333)	(333)
Cash Surplus/(Deficit)	**(4,815)**	**(1,886)**

(a) Payments for personnel services are shown as a separate line in these UPF tables, they are included as payments for goods and services in the Total State Sector Accounts.

Table 13: NSW Non-Financial Public Sector Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024

	2023-24 Budget $m	2023-24 Actual $m
Revenue from Transactions		
Taxation	44,236	43,995
Grants and Subsidies	46,437	45,922
Sale of Goods and Services	15,365	16,091
Interest	493	760
Dividend and Income Tax Equivalents from Other Sectors	183	190
Other Dividends and Distributions	2,658	1,445
Fines, Regulatory Fees and Other	7,010	7,002
Total Revenue from Transactions	**116,381**	**115,405**
Expenses from Transactions		
Employee	46,172	48,865
Superannuation		
Superannuation Interest Cost	1,666	1,695
Other Superannuation	4,415	4,914
Depreciation and Amortisation	11,639	12,031
Interest	6,628	7,144
Other Operating Expenses	30,834	30,932
Grants and Subsidies and Other Transfers	22,173	20,753
Total Expenses from Transactions	**123,528**	**126,333**
NET OPERATING BALANCE - SURPLUS/(DEFICIT)	**(7,146)**	**(10,928)**

Table 13: NSW Non-Financial Public Sector Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024(cont)

	2023-24 Budget $m	2023-24 Actual $m
Other Economic Flows - Included in the Operating Result		
Gain/(Loss) from Liabilities	(667)	(118)
Other Net Gains/(Losses)	1,014	2,198
Share of Earnings/(Losses) from Equity Investments (excluding Dividends)	(25)	(169)
Deferred Income Tax from Other Sectors	0	0
Other	(45)	(130)
Other Economic Flows - included in Operating Result	**277**	**1,781**
Operating Result	**(6,869)**	**(9,148)**
Other Economic Flows - Other Comprehensive Income		
Items that will not be Reclassified to Operating Result	**1,374**	**54,346**
Revaluations	5,386	49,811
Share of Associate's Other Comprehensive Income/(Loss) that will not be Reclassified Subsequently to Operating Result	...	138
Remeasurements of Post-Employment Benefits	(1,935)	3,831
Net Gain/(Loss) on Financial Assets at Fair Value through Other Comprehensive Income	(1,858)	386
Deferred Tax Direct to Equity	(0)	(0)
Other	(219)	179
Items that may be Reclassified Subsequently to Operating Result	**(0)**	**1**
Net Gain/(Loss) on Financial Instruments at Fair Value	(0)	1
Other Economic Flows - Other Comprehensive Income	**1,374**	**54,346**
Comprehensive Result - Total Change in Net Worth	**(5,495)**	**45,198**
Key Fiscal Aggregates		
Comprehensive Result - Before Transactions with Owners in their capacity as Owners	**(5,495)**	**45,198**
Less: Net Other Economic Flows	(1,651)	(56,127)
Equals: Net Operating Balance	**(7,146)**	**(10,929)**
Less: Net Acquisition of Non-Financial Assets		
Purchases of Non-Financial Assets[(a)]	27,902	27,025
Sales of Non-Financial Assets	(1,477)	(489)
Less: Depreciation	(11,639)	(12,031)
Plus: Change in inventories	343	112
Plus: Other Movements in Non-Financial Assets		
Assets Acquired Using Leases[(a)]	875	3,127
Assets Acquired Using Service Concession Arrangements under		
Financial Liability Model[(a)]	1,089	907
Grant of a Right to the Operator Model	441	282
Other	(568)	(683)
Equals Total Net Acquisition of Non-Financial Assets	**16,965**	**18,248**
Equals: Net Lending/(Borrowing) [Fiscal Balance]	**(24,112)**	**(29,177)**
OTHER FISCAL AGGREGATES		
Capital Expenditure[(a)]	29,865	31,059

(a) Capital expenditure comprises purchases of non-financial assets, assets acquired using leases and assets acquired using service concession arrangements under the financial liability model.

Table 14: NSW Non-Financial Public Sector Consolidated Statement of Financial Position at 30 June 2024[(a)]

	2024 Budget $m	2024 Actual $m
Assets		
Financial Assets		
Cash and Cash Equivalent Assets	2,754	10,633
Receivables	12,309	14,067
Investments, Loans and Placements		
Financial Assets at Fair Value	49,912	50,962
Other Financial Assets	2,633	2,678
Advances paid	736	701
Tax Equivalents Receivable	14	15
Deferred Tax Equivalents Receivable	(0)	0
Equity Investments		
Investments in Other Public Sector Entities	11,983	14,220
Investments in Associates and Joint Ventures	8,831	10,372
Other Equity Investments	15	15
Total Financial Assets	**89,187**	**103,663**
Non-Financial Assets		
Contract Assets	513	87
Inventories	2,175	1,530
Forestry Stock and Other Biological Assets	642	798
Assets Classified as Held for Sale	157	277
Investment Properties	606	609
Property, Plant and Equipment		
Land and Buildings	220,772	235,849
Plant and Equipment	20,251	22,184
Infrastructure Systems	272,362	295,124
Right-of-Use Assets	9,973	10,360
Intangibles	6,713	6,691
Other Non-Financial Assets	2,313	2,230
Total Non-financial Assets	**536,476**	**575,737**
Total Assets	**625,663**	**679,400**
Liabilities		
Deposits Held	363	379
Payables	11,581	11,722
Contract Liabilities	938	1,091
Borrowings and Derivatives at Fair Value	20	10
Borrowings at Amortised Cost	181,184	188,453
Advances Received	445	438
Employee Benefits Liabilities	28,471	30,586
Superannuation Provision[(b)]	43,964	39,241
Deferred Tax Equivalents Provision	0	(0)
Other Provisions	16,519	18,812
Other Liabilities	21,572	21,514
Total Liabilities	**305,057**	**312,244**
NET ASSETS	**320,606**	**367,156**

Table 14: NSW Non-Financial Public Sector Consolidated Statement of Financial Position at 30 June 2024(cont)

	2024 Budget	2024 Actual
	$m	$m
NET WORTH		
Accumulated Funds	110,152	113,313
Reserves	210,454	253,843
TOTAL NET WORTH	**320,606**	**367,156**
OTHER FISCAL AGGREGATES		
Net Debt[(c)]	**125,978**	**124,305**
Net Financial Liabilities[(d)]	**227,853**	**222,801**
Net Financial Worth[(e)]	**(215,870)**	**(208,581)**

(a) This table has been presented on a liquidity basis as per AASB 1049.
(b) The superannuation provision is reported net of the fair value of fund assets.
(c) Net debt equals the sum of deposits held, advances received, borrowings and other liabilities relating to the interests in TCorpIM Funds of investors not controlled by the State minus the sum of cash and cash equivalents, advances paid and investments, loans and placements.
(d) Net financial liabilities equals total liabilities less financial assets excluding equity investments in other public sector entities.
(e) Net financial worth equals total financial assets minus total liabilities.

Table 15: NSW Non-Financial Public Sector Consolidated Statement of Cash Flows for the Year Ended 30 June 2024

	2023-24 Budget $m	2023-24 Actual $m
Cash Receipts from Operating Activities		
Taxation	44,253	42,620
Sales of Goods and Services	15,820	16,260
Grants and Subsidies	45,780	46,009
Interest	441	645
Dividends and Income Tax Equivalents	159	162
Other	12,294	13,972
Total Cash Receipts from Operating Activities	**118,747**	**119,668**
Cash Payments from Operating Activities		
Employee Related	(45,227)	(45,911)
Superannuation	(6,088)	(6,509)
Payments for Goods and Services	(30,371)	(29,502)
Grants and Subsidies	(20,886)	(19,254)
Interest	(5,479)	(5,287)
Other	(8,041)	(9,265)
Total Cash Payments from Operating Activities	**(116,092)**	**(115,727)**
Net Cash Flows from Operating Activities	**2,655**	**3,941**
Cash Flows from Investments in Non-Financial Assets		
Proceeds from Sale of Non-financial Assets	2,105	750
Purchases	(26,389)	(26,267)
Net Cash Flows from Investments in Non-financial Assets	**(24,284)**	**(25,517)**
Cash Flows from Investments in Financial Assets for Policy Purposes		
Receipts	97	123
Payments	(368)	(223)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**(271)**	**(100)**
Cash Flows from Investment in Financial Assets for Liquidity Purposes		
Proceeds from Sale of Investments	2,429	3,182
Purchase of Investments	(223)	(1,729)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**2,206**	**1,453**
Net Cash Flows from Investing Activities	**(22,348)**	**(24,163)**
Cash Flows from Financing Activities		
Advances (Net)	(16)	(77)
Proceeds from Borrowings	15,802	23,272
Repayments of Borrowings	(3,881)	(2,839)
Deposits Received/(Paid) - (Net)	(0)	9
Other (Net)	(0)	(0)
Net Cash Flows from Financing Activities	**11,905**	**20,365**
Net Increase/(Decrease) in Cash Held	**(7,788)**	**143**
Opening Cash and Cash Equivalents	10,490	10,490
Reclassification of Cash Equivalents and Other Adjustments	52	(0)
CLOSING CASH AND CASH EQUIVALENTS	**2,754**	**10,633**
Derivation of Cash Result		
Net Cash Flows from Operating Activities	2,655	3,941
Net Cash Flows from Investments in Non-Financial Assets	(24,284)	(25,517)
Cash Surplus/(Deficit)	**(21,629)**	**(21,576)**

Table 16: NSW Public Financial Corporations Sector Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024[(a)]

	2023-24 Actual $m
Revenue from Transactions	
Sale of Goods and Services[(b)]	2,134
Interest	7,548
Other Dividends and Distributions	1,121
Fines, Regulatory Fees and Other	25
Total Revenue from Transactions	**10,829**
Expenses from Transactions	
Employee	348
Superannuation	
Superannuation Interest Cost	...
Other Superannuation	33
Depreciation and Amortisation	62
Interest	6,346
Income Tax Equivalents	60
Other Operating Expenses	3,864
Grants and Subsidies and Other Transfers	22
Total Expenses from Transactions	**10,735**
NET OPERATING BALANCE - SURPLUS / (DEFICIT) AFTER TAX	**94**

Table 16: NSW Public Financial Corporations Sector Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024(cont)

	2023-24 Actual $m
Other Economic Flows - Included in the Operating Result	
Gain/(Loss) from Liabilities	(3,092)
Other Net Gains/(Losses)	3,639
Share of Earnings/(Losses) from Equity Investments (excluding Dividends)	(124)
Other Economic Flows - included in Operating Result	**423**
Operating Result	**516**
Other Economic Flows - Other Comprehensive Income	
Items that will not be Reclassified to Operating Result	**(0)**
Revaluations	(0)
Items that may be Reclassified Subsequently to Operating Result	**0**
Net Gain/(Loss) on Financial Instruments at Fair Value	...
Other Economic Flows - Other Comprehensive Income	**(0)**
Comprehensive Result - Before Transactions with Owners in their capacity as Owners	**516**
Dividends Distributed	(130)
Net Equity Injections/(Transfers)	...
Comprehensive Result -Total Change in Net Worth	**386**
Key Fiscal Aggregates	
Comprehensive Result - Before Transactions with Owners in their capacity as Owners	**516**
Less: Net Other Economic Flows	(422)
Equals: Net Operating Balance	**94**
Less: Net Acquisition of Non-Financial Assets	
Purchases of Non-Financial Assets(c)	51
Sales of Non-Financial Assets	...
Less: Depreciation	(62)
Plus: Change in inventories	...
Plus: Other Movements in Non-Financial Assets	
Assets Acquired Using Leases(c)	9
Assets Acquired Using Service Concession Arrangements under	0
Financial Liability Model	...
Grant of Right to the Operator Model	...
Other	...
Equals: Total Net Acquisition of Non-Financial Assets	**(2)**
Equals : Net Lending /(Borrowing) [Fiscal Balance]	**96**
OTHER FISCAL AGGREGATES	
Capital Expenditure(c)	60
Dividends Accrued	130

(a) The current Uniform Presentation Framework does not require the publishing of the results of the Public Financial Corporation Sector at budget time and mid-year, therefore a Budget column is not available.
(b) Includes taxation revenue which is shown as a separate line item in the Total State Sector Accounts.
(c) Capital expenditure comprises purchases of non-financial assets, assets acquired using leases and assets acquired using service concession arrangements under the financial liability model.

Table 17: NSW Public Financial Corporations Sector Consolidated Statement of Financial Position at 30 June 2024[(a)(b)]

	2024 Actual $m
Assets	
Financial Assets	
Cash and Cash Equivalent Assets	6,858
Receivables	41,639
Investments, Loans and Placements	
Financial Assets at Fair Value	244,800
Other Financial Assets	3
Equity Investments	0
Investments in Associates and Joint Ventures	1,622
Other Equity Investments	30,171
Total Financial Assets	**325,094**
Non-Financial Assets	
Investment Properties	1,101
Property, Plant and Equipment	
Land and Buildings	16
Plant and Equipment	7
Infrastructure Systems	637
Right-of-Use Assets	91
Intangibles	148
Other Non-Financial Assets	120
Total Non-Financial Assets	**2,120**
Total Assets	**327,214**
Liabilities	
Deposits Held	215
Payables	33,129
Borrowings and Derivatives at Fair Value	198,629
Borrowings at Amortised Cost	2,519
Employee Benefits Liabilities	67
Superannuation Provision[(c)]	0
Tax Equivalents Payable	15
Other Provisions	9,159
Other Liabilities	69,253
Total Liabilities	**312,986**
NET ASSETS	**14,228**
NET WORTH	
Accumulated Funds	13,827
Reserves	400
TOTAL NET WORTH	**14,228**
OTHER FISCAL AGGREGATES	
Net Debt[(d)]	**18,922**
Net Financial Liabilities[(e)]	**(12,108)**
Net Financial Worth[(f)]	**12,108**

(a) The current Uniform Presentation Framework does not require the publishing of the results of the Public Financial Corporation Sector at budget time and mid-year, therefore a Budget column is not available.
(b) This table has been presented on a liquidity basis as per AASB 1049.
(c) The superannuation provision is reported net of the fair value of fund assets.
(d) Net debt equals the sum of deposits held, advances received, borrowings and other liabilities relating to the interests in TCorpIM Funds of investors not controlled by the State minus the sum of cash and cash equivalents, advances paid and investments, loans and placements.
(e) Net financial liabilities equals total liabilities minus financial assets.
(f) Net financial worth equals total financial assets minus total liabilities.

Table 18: NSW Public Financial Corporations Sector Consolidated Statement of Cash Flows for the Year Ended 30 June 2024[(a)]

	2023-24 Actual $m
Cash Receipts from Operating Activities	
Sale of Goods and Services[(b)]	2,099
Interest	7,045
Other	1,163
Total Cash Receipts from Operating Activities	**10,306**
Cash Payments from Operating Activities	
Employee Related	(345)
Superannuation	(33)
Payments for Goods and Services	(2,543)
Grants and Subsidies	(6)
Interest	(5,384)
Distributions Paid	(2,082)
Other	(289)
Total Cash Payments from Operating Activities	**(10,681)**
Net Cash Flows from Operating Activities	**(375)**
Cash Flows from Investments in Non-Financial Assets	
Proceeds from Sale of Non-financial Assets	...
Purchases	(51)
Net Cash Flows from Investments in Non-financial Assets	**(51)**
Cash Flows from Investments in Financial Assets for Policy Purposes	
Receipts	...
Payments	...
Net Cash Flows from Investments in Financial Assets for Policy Purposes	0
Cash Flows from Investment in Financial Assets for Liquidity Purposes	
Proceeds from Sale of Investments	7,506
Payments for Purchase of Investments	(51,399)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**(43,893)**
Net Cash Flows from Investing Activities	**(43,944)**
Cash Flows from Financing Activities	
Proceeds from Borrowings	120,966
Repayments of Borrowings	(76,617)
Dividends Paid	(106)
Deposits Received/(Paid) - (Net)	...
Other (Net)	...
Net Cash Flows from Financing Activities	**44,243**
Net Increase/(Decrease) in Cash Held	**(76)**
Opening Cash and Cash Equivalents	6,934
Reclassification of Cash Equivalents and Other Adjustments	...
CLOSING CASH AND CASH EQUIVALENTS	**6,858**
Derivation of Cash Result	
Net Cash Flows from Operating Activities	(375)
Net Cash Flows from Investments in Non-Financial Assets	(51)
Dividends Paid	(106)
Cash Surplus/(Deficit)	**(532)**

(a) The current Uniform Presentation Framework does not require the publishing of the Public Financial Corporation Sector at budget time and mid-year, therefore the Budget column is not presented.
(b) Includes taxation revenue which is shown as a separate line item in the TSSA.

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