

# TPG25-01: Agency Direction for the 2024-25 Mandatory Early Close

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TPG25-01

26 February 2025

## Acknowledgement of Country

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.

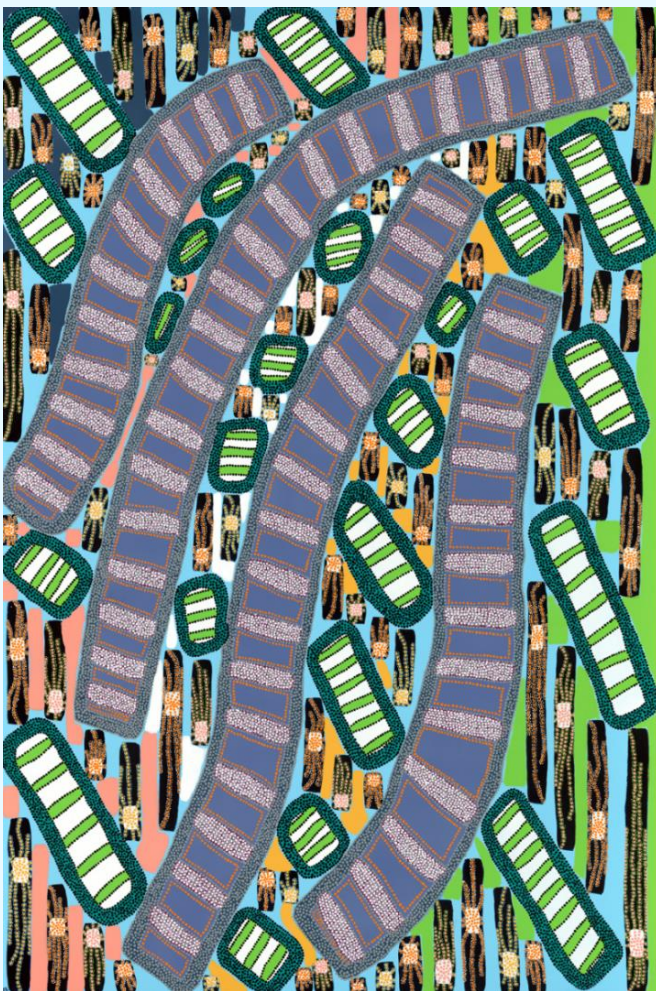
We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

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.

Artwork:

*Regeneration* by Josie Rose



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Key information	
Treasury Policy and Guidelines (TPG) is relevant to?	<input checked="" type="checkbox"/> GSF Agencies <input type="checkbox"/> General Government Sector <input type="checkbox"/> Public non-financial corporation <input type="checkbox"/> Public financial corporation <input type="checkbox"/> State Owned Corporations <input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Executive agencies related to Departments <input checked="" type="checkbox"/> Subsidiaries of the NSW Government established under the <b>Corporations Act 2001</b>
Date issued	26 February 2025
Review date	1 March 2026
<input checked="" type="checkbox"/> Replaces <input type="checkbox"/> Replaced by	The policy and guidelines replaces: <ul style="list-style-type: none"> <li>• <i>TPG24-03 - Agency Direction for the 2023-24 Mandatory Early Close</i></li> </ul>
Issuing/Publishing entity	NSW Treasury
Related instrument(s)	<p>In the past, the related instrument for this policy and guidelines referred to <i>TD19-02 Mandatory Early Close as at 31 March each year</i>. NSW Treasury expects <i>TD19-02 Mandatory Early Close as at 31 March each year</i> and all related amending TDs to be revoked shortly.</p> <p>This TPG now provides agencies with one reference point for mandatory early close requirements. Going forward, agencies should refer only to this TPG regarding mandatory requirements at early close.</p>
Document approver	
Contact	Total State Financial Reporting, NSW Treasury Email: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a>
Document contains	
<input checked="" type="checkbox"/> <b>MANDATORY POLICY</b> compliance set out by NSW Treasury.	
<input checked="" type="checkbox"/> <b>RECOMMENDED POLICY</b> reflecting best practice standards.	
<input checked="" type="checkbox"/> <b>GUIDANCE/ADDITIONAL INFORMATION</b> to provide clarity or explain requirements in detail.	

# 1. Agency Direction for the 2024-25 Mandatory Early Close

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## 1.1 Purpose

This NSW Treasury Policy and Guidelines (TPG) defines the minimum requirements for the 2024-25 Early Close.

The objectives of this TPG are as follows:

1. to identify the principles, practices, arrangements and procedures to be applied or followed by Agencies and their Chief Financial Officers to enable Consolidated government sector reporting to be prepared in accordance with *Division 7.4 of the GSF Act*;
2. to enhance the efficiency of the financial reporting process and promote early identification and resolution of accounting issues; and
3. to facilitate timely completion and improve the quality of government sector reporting.

This TPG outlines procedures to achieve the above objectives and facilitate early dialogue with Treasury and the Audit Office on significant accounting issues. These procedures form good practice that should in any case be carried out at appropriate points in the financial year.

Agencies may wish to perform additional procedures as part of a strategy to improve the quality and timeliness of financial reporting.

Certain Agencies are participating in the 2024-25 Hard Close pilot with the effect that some procedures and due dates differ compared to the regular Early Close process (refer to Section 2.2).

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## 1.2 Background

Early Close was introduced to facilitate earlier completion and improved quality of year-end financial statements across the sector. Agency and Audit Office feedback indicates Early Close Procedures have assisted in ensuring a smoother year-end process and more effective resolution of accounting issues. The focus of Early Close will continue to be on early identification and resolution of emerging issues, asset valuations and reducing misstatements and their underlying causes.

As we continue to refine and improve the financial reporting process, we have reflected on the feedback shared by the sector last year and have implemented the following key changes which apply to the 2024-25 Early Close:

- Introduction of a Hard Close pilot for certain agencies that have agreed the arrangement upfront with the Audit Office, including the nature and timing of procedures (refer to Section 2.2).
- Refinement of mandatory Early Close procedures after performing a risk assessment (refer to Section 2.4).
- NSW Treasury expects *TD19-02 Mandatory Early Close as at 31 March each year* to be shortly revoked. The mandatory Early Close requirements have been streamlined into this TPG.

Any reference to our policies should be understood as referring to the current published policy or its most recent replacement.

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## 1.3 Related Legal Obligations

This TPG supersedes the previous version, issued as NSW Treasury Policy Paper *TPG24-03 - Agency Direction for the 2023-24 Mandatory Early Close*. In the past, the related instrument for this policy and guidelines referred to *TD19-02 Mandatory Early Close as at 31 March each year*. NSW Treasury expects *TD19-02 Mandatory Early Close as at 31 March each year* and all related amending TDs to be revoked shortly.

The references provided are correct at the time of publishing this document. However, some Treasury policies may be superseded before financial Early Close or Hard Close. Treasury will notify agencies via email if there were any changes to policies and guidance that would affect either Early Close or Hard Close.

Agencies should refer to the [Document and Resources library](#) on the NSW Treasury website for the latest Policy and Guidelines Papers.

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## 1.4 Summary of Requirements

The mandated requirements for the 2024-25 Early Close are summarised below:

### Early Close Procedures

Agencies must carry out the following procedures:

- Complete and return the Period 9 Prime Data Submissions.
- Prepare a set of pro-forma Financial Statements as at 31 March 2025 (or the agreed Hard Close balance date) reconciled to the month-end Prime Data Submission, together with completion of the Early Close Procedures Checklist.
- Perform the procedures as outlined in section 2.4 of this TPG.
- Develop a detailed plan with key stakeholders to allow for submission of information referred to above.

### Audit Planning

Agencies must communicate with the Audit Office:

- All significant accounting issues that can potentially impact their financial statements through the Information on Emerging Issues return. The format and timing of these returns and position papers on significant issues should be agreed prior to completing Early Close Procedures.
- The impact of new accounting standards as appropriate, including any specific disclosure requirements affecting the financial statements.

- The expected content of the Annual Engagement Plan, the audit procedures to be completed and when the audit procedures are to be carried out.

Agencies must provide a copy of the Audit Office's letter concerning their Observations on Early Close Procedures, or in the case of agencies participating in the Hard Close pilot, a copy of any formal feedback provided by the Audit Office to the agency regarding the Hard Close process, to NSW Treasury by the dates specified in section 2.3 of this TPG.

### **Information on Emerging Issues**

- Agencies must submit Information on Emerging Issues specifying any significant issues which have the potential to impact the Consolidated State Financial Statements to NSW Treasury by the dates specified in section 2.3 of this TPG.
- Agencies must also communicate these emerging issues to their respective Audit and Risk Committees (ARC).

## 2. Early Close Procedures

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### 2.1 Classification of Agencies

For the 2024-25 Mandatory Early Close, Agencies have been classified into two categories:

- Agencies participating in the Hard Close pilot and referred to as Hard Close Agencies in this TPG. These Agencies are listed in Appendix H.
- All other Agencies mandated to perform Early Close Procedures and referred to as Early Close Agencies in this TPG. These Agencies are listed in Appendix I.

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### 2.2 Instructions

#### 1. Early Close Agencies

The mandatory Early Close Procedures are to be conducted as at 31 March 2025 for all Early Close Agencies, including but not limited to:

- Submit Early Close Returns (including Prime Data Submissions, Financial Statements as at 31 March, Early Close Procedures Checklist, and Information on Emerging Issues) to Treasury no later than the dates specified in section 2.3 of this TPG.
- Early Close Procedures require the preparation of a set of pro-forma Financial Statements with reference to the instructions in section 2.4 (ix) of this TPG
- All Agencies are required to develop a detailed plan with key stakeholders, including the Audit Office, to achieve Early Close deadlines, and for the submission of Treasury returns.

Section 2.3.1 outlines the procedures and returns required to be submitted by Early Close Agencies.

#### 2. Hard Close Agencies

Hard Close Agencies have agreed with the Audit Office that they will perform and participate in the Hard Close pilot for the current financial year. These agencies will undertake the majority of the Early Close Procedures mandated by this TPG in line with the agreed hard close balance date. Any additional procedures to be performed and the timing of Hard Close (e.g. 30 April, 31 May) must be agreed between the Agency and the Audit Office. The agreed Hard Close balance date should be notified to Treasury as soon as is practicable.

Treasury recognises that most Early Close Procedures are to be conducted Hard Close Agencies as at the date the hard close is being prepared. However, a portion of the Early Close procedures are still mandated as being required to be prepared as at 31 March 2025 due to being a key input to the preparation of the State's Consolidated Financial Statements.

Section 2.3.2 outlines what procedures and returns are required by Hard Close Agencies and their respective submission dates.



## 2.3 Submission Dates

### 1. Early Close Agencies

Early Close Agencies are required to submit the following Early Close Returns by no later than the specified dates, including financial transactions and activities administered by the Agency on behalf of Treasury (formerly Crown) (i.e. State Revenue Agencies):

Early Close Returns <sup>a</sup>	2024-25 date	Submission
Period 9 Prime return – General Government Entities	Thursday, 10 April	Prime
Period 9 Prime return – Public Non-Financial Corporations and Public Financial Corporations including State Owned Corporations	Monday, 14 April	Prime
Confirmation of Commonwealth Funding Return and Revenue Assessment Submissions (Appendix F)	Monday 28 April <sup>d</sup>	Treasury: <a href="mailto:Crown_Entity@treasury.nsw.gov.au">Crown_Entity@treasury.nsw.gov.au</a>
Pro-Forma Financial Statements as at 31 March 2025 and accompanying notes	Monday, 28 April <sup>d,e</sup>	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a> and Audit Office
Early Close Procedures Checklist (Appendix B)	Monday, 28 April <sup>d</sup>	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a> and Audit Office
Reconciliation between Period 9 Prime Data Submission and Agency Financial Statements (Form 05a of the Prime Supplementary Return)	Monday, 28 April <sup>d</sup>	Prime
Information on Emerging Issues (Preliminary Submission)(Appendix C)	Monday, 28 April <sup>d</sup>	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a>
Comprehensive Valuation Reports and Fair Value Assessments	Monday, 28 April <sup>d</sup>	Audit Office
Audit Office feedback on Early Close audit via submission of the Audit Office's Observations of Early Close Procedures	Wednesday, 4 June <sup>b</sup>	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a>
Information on Emerging Issues (Final Submission) (Appendix C)	Wednesday, 18 June	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a>
Audit Office feedback on Early Close audit via submission of Interim Management Letter Reports	Friday, 27 June <sup>c</sup>	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a>

(a) Nil returns must still be submitted and will be accepted prior to the deadline.

(b) If Audit Office Early Close Observation Letters are not available by 4 June 2025, agencies should forward the Audit Office letter to NSW Treasury within one day after receipt of the reports from the Audit Office.

(c) If Audit Office Interim Management Letter Reports are not available by 27 June 2025, agencies should forward the Audit Office report to NSW Treasury within one day after receipt of the reports from the Audit Office.

- (d) Historically this has been due on working day 16. However this year Treasury will give Agencies 17 working days noting that this may be subject to change in future reporting periods.
- (e) For the Treasury agency – the administered items notes and related early close submissions are due to the Audit Office by 9 May 2025.

## 2. Hard Close Agencies

Hard Close Agencies are required to submit the following Early Close/Hard Close Returns by no later than the specified dates or working days, including financial transactions and activities administered by the Agency on behalf of Treasury (formerly Crown) (i.e. State Revenue Agencies):

Early Close/Hard Close Returns <sup>a</sup>	2024-25 date	Submission
Period 9 Prime return – General Government Entities	Thursday, 10 April	Prime
Period 9 Prime return – Public Non-Financial Corporations and Public Financial Corporations including State Owned Corporations	Monday, 14 April	Prime
Period end Prime return – General Government Entities (being the Hard Close month as agreed with the Audit Office)	Working Day 8	Prime
Period end Prime return – Public Non-Financial Corporations and Public Financial Corporations including State Owned Corporations (being the Hard Close month as agreed with the Audit Office)	Working Day 10	Prime
Confirmation of Commonwealth Funding Return and Revenue Assessment Submissions (Appendix F)	Monday 28 April	Treasury: <a href="mailto:Crown_Entity@treasury.nsw.gov.au">Crown_Entity@treasury.nsw.gov.au</a>
Information on Emerging Issues (Preliminary Submission) (Appendix C)	Monday, 28 April	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a>
Pro-Forma Financial Statements as at Hard Close balance date and accompanying notes	Within one day of the Agency providing the Pro-Forma Financial Statements to the Audit Office	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a> and Audit Office
Early Close Procedures Checklist (Appendix B)	Within one day of the Agency providing the Pro-Forma Financial Statements to the Audit Office	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a> and Audit Office
Reconciliation between Period end Prime Data Submission and Agency Financial Statements	Within one day of the Agency providing the Pro-Forma Financial	Prime

Early Close/Hard Close Returns <sup>a</sup>	2024-25 date	Submission
(Form 05a of the Prime Supplementary Return)	Statements to the Audit Office	
Comprehensive Valuation Reports and Fair Value Assessments	As agreed with the Audit Office	Audit Office
Audit Office feedback on Hard Close audit (if provided to agency by the Audit Office)	Within one day of receipt of letter/report from the Audit Office	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a>
Information on Emerging Issues (Final Submission) (Appendix C)	Wednesday, 18 June	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a>
Audit Office feedback on Hard Close audit via submission of Interim Management Letter Reports	Friday, 27 June <sup>b</sup>	Treasury: <a href="mailto:tssa@treasury.nsw.gov.au">tssa@treasury.nsw.gov.au</a>

(a) Nil returns must still be submitted and will be accepted prior to the deadline.

(b) If Audit Office Interim Management Letter Reports are not available by 27 June 2025, agencies should forward the Audit Office report to NSW Treasury within one day after receipt of the reports from the Audit Office.

## 2.4 Early Close Procedure Requirements

In preparing pro-forma Financial Statements, Early Close Prime returns and Hard Close Prime returns, Agencies must complete the following, where applicable, in accordance with sections 2.2 and 2.3:

- i. **Complete (as required) revaluations of material non-financial assets.** This should include preparation of non-financial asset valuations, recording of valuations in general ledgers, and preparation of related disclosures. Treasury has issued separate guidance on the process for valuing non-current physical assets in *TC21-11 Timetable for Agency Asset Valuations*. However, valuations should be ready for the Early Close / Hard Close audit process, including management review. Refer to Appendix A of this TPG for additional guidance.
- ii. **Document the fair value assessment of non-financial assets.** Agencies should follow the guidelines in Appendix A to ensure all final valuations (including methodologies, assumptions including whether any impairment indicators are present and external valuations) are provided to the Audit Office for their review. If the fair value assessment results in material movements, both Prime and the general ledger should be updated for Early Close / Hard Close including in the pro-forma financial statements.
- iii. **Update employee annual leave provisions.** Reconciliation and calculation of annual leave provisions must be completed. The balances calculated for the Early Close / Hard Close financial statements must be rolled forward with adjustments for monthly accruals and actual payments as part of the 30 June financial statements.
- iv. **Agree and confirm inter and intra (portfolio) Agency transactions and balances.** The Agency providing the service should take the lead in agreeing each transaction and balance. Generally, the threshold is \$5 million. However, there are some PLUGS (for example, ASOSPLUG019 – Personnel Services – Expense/Revenue) whereby due to the nature and/or volume of transactions a lower materiality may apply for particular ICP mismatches. Agencies must support counterparties seeking to verify their counterparty balances. Agencies must:

- put in place processes to agree inter and intra (portfolio) Agency transactions and balances as at 31 March
  - ensure they have supporting work papers to evidence how the Agency has broken down inter and intra (portfolio) Agency assets, liabilities, revenues, and expenses, and
  - provide the supporting work papers to Treasury and the Audit Office for review as part of Early Close (note this also applies to Hard Close Agencies).
- v. **Document all significant management judgements and assumptions made when estimating transactions and balances, including one-off transactions and provide to the Audit Office, together with all relevant supporting documentation.** Where transactions and balances involve significant management judgements and assumptions, Agencies must document in accounting position paper(s) (refer to [Appendix D](#)) those judgements and assumptions.

Significant management judgements and assumptions are those that:

- have a significant impact on the amounts and information recognised in the financial statements and notes, and
- are particularly judgemental, involve multiple assumptions and/or involve estimation uncertainty (e.g., the estimates are highly sensitive to changes in the assumptions).

The accounting position paper(s) must:

- summarise the accounting issue, set out management's evaluation of the issue, its conclusion and if the NSW Treasury Accounting Policy and Advisory Team supports the accounting position where they have been consulted
- be concise, ideally no longer than three pages in length
- be provided for review and assessment by the Audit Office as part of Early Close / Hard Close, and
- be available to NSW Treasury Accounting Policy and Advisory Team where the transaction is material or significant to the Total State Sector Accounts (TSSA). If in doubt, please discuss with the Accounting Policy and Advisory Team.

Materiality should determine the extent of documentation. Management's determination of materiality should be agreed with the Audit Office.

[Appendix D](#) provides a template for the reporting of the resolution on accounting issues.

Agencies should collect and retain appropriate documents to support significant judgements and significant assumptions made when estimating transactions and balances, and record the process used to arrive at those assumptions. Examples of significant judgements and assumptions include:

- discount rates used in determining present values
- estimated useful lives of assets
- inputs into actuarially determined balances
- asset revaluations and impairment
- valuation and accounting for financial instruments
- assumptions used to calculate material provisions, and
- determining expected credit loss provisions for receivables and financial guarantee contracts.

Management judgement may be required in determining:

- the correct accounting for a new transaction or balance
- whether major assets are classified within levels 1, 2 or 3 in the fair value hierarchy
- whether the Agency controls a subsidiary (AASB 10 *Consolidated Financial Statements* (AASB 10)) with less than half the voting power
- whether a contract is, or contains, a lease
- classification of a lease, as a lessor, as finance or operating
- whether lease renewal / termination options will be exercised
- whether an asset meets the definition and recognition criteria to be recognised as a service concession asset
- whether an asset meets the criteria to be classified as held for sale
- whether a property qualifies as an investment property
- whether related party transactions are material and require disclosure as per AASB 124 *Related Party Disclosures* (AASB 124)
- appropriateness of the going concern basis of accounting
- whether modifications to financial instruments result in derecognition of that instrument, and
- existence and measurement of contingent liabilities and assets.

Agencies should engage effectively with all affected stakeholders and agree financial implications and accounting treatments, including engaging with Treasury to ensure whole-of-government impacts are properly classified for consolidation. On conclusion, Agencies should update their ledgers, financial statements and note disclosures to reflect the treatment and make available to Treasury where necessary any formal advice from external consultants. ***It is the Principal Department Agency's responsibility to ensure consistent accounting treatment within its portfolio.***

- vi. **Prepare key account reconciliations.** The Agency must carry out account reconciliations in support of the balance sheet throughout the year. Key account balances must be reconciled monthly.
- vii. **Reconcile the March 2025 month-end Prime submission to the pro-forma Financial Statements (for Hard Close Agencies, the reconciliation to Prime will be completed in line with the Hard Close balance date as agreed with the Audit Office).** Agencies must provide explanations for variances exceeding \$5 million. The reconciliation should be captured via Form 05a of the Supplementary Return in Prime. Detailed instructions can be found on the Prime Knowledge Base (see [KB0011403](#)).
- viii. **Review and agree changes in accounting policy with the Principal Department Agency in your portfolio. Notify and provide all documentation to your Audit Office team.** These include accounting adjustments, particularly those arising from changes in accounting policies, changes in accounting estimates and errors for any prior period(s), opening balance adjustments, or future year impacts – in particular focus on classification and adjustments arising from revaluations.

The Agency is to submit their accounting policy changes to the Principal Department Agency for review and agreement. The purpose of this requirement is so accounting policy changes are approved by the Principal Department Agency, and Agencies within a portfolio are

applying consistent accounting policies. If the accounting treatment of material transactions or balances differ, the Principal Department Agency must communicate the inconsistency to the Accounting Policy and Advisory Team in NSW Treasury for additional approval before 28 April 2025.

**Agencies and their Principal Department Agency for their portfolio are to consider their compliance with the amended requirements of AASB 101: *Presentation of Financial Statements*** whereby entities are now to disclose their material accounting policy information rather than their significant accounting policies. The effective date of the amendment was for accounting periods beginning on or after 1 January 2023. The amendment was expected to lead to a reduction of immaterial accounting policy information being disclosed by Agencies across the sector. The Audit Office has advised Treasury that not all Agencies have refined/reduced their disclosure of accounting policies. Further guidance can be found in Appendix G of *TPG 24-05 Policy and Guidelines: Financial Reporting Code for NSW General Government Sector Agencies*.

- ix. **Provide the following information in relation to the pro-forma financial statements.** In preparing Agency pro-forma Financial Statements, Agencies must provide/action:
- prior year comparative information
  - prior period errors / corrections and restatements
  - current year-to-date figures
  - updated accounting policies
  - updated wording reflecting new and revised accounting standards and Treasury policies
  - consideration of the possible effects of accounting standards issued but not yet effective
  - impact of restructures
  - Agencies, in their capacity as lessors, must disaggregate each class of property, plant and equipment (PP&E) into assets subject to operating leases and assets not subject to operating leases. Agencies must include in their financial report disclosures required by AASB 116 *Property, Plant and Equipment* (AASB 116) for assets subject to an operating lease (by class of underlying asset) separately from owned assets held and used by the lessor (AASB 16 *Leases* (AASB 16), para 95). Refer to the Financial Reporting Code for an example of disaggregated disclosures.
  - Agencies are reminded of the requirement to provide disclosures on performance obligations and contract liability balances recognised under AASB 15 *Revenue from Contract with Customers* (AASB 15). Agencies must disclose the following information in their financial statements:
    - Revenue recognised that was included in the contract liability balance at the beginning of the year (AASB 15, para 116(b))
    - Revenue recognised from performance obligations satisfied in previous periods (AASB 15, para 116(c)), and
    - Transaction price allocated to the remaining performance obligations from contracts with customers (AASB 15, para 120(b)).
  - Disclosures on the impact of any natural disasters and/or climate related matters on financial reporting for 2024-25. The following areas may be impacted and require increased disclosure:
    - fair value of property, plant and equipment – Level 3
    - impairment of non-financial assets

- financial instruments
- expected credit losses
- inventories
- superannuation and long-term provisions (including employee provisions)
- other provisions
- going concern, and
- events after the reporting period.

Please refer to Treasury guidance on how to reflect the effects of climate-related matters in financial statements for further details on these financial disclosure considerations.

- disclosure on physical non-current assets that are not recognised in the financial statements because a reliable value cannot be obtained, and those assets are likely to be material to the Agency's financial statements (TD21-05, para 1(C)).
- the effective date of the revaluation for each class of property, plant and equipment (AASB 116, para 77(a)).
- disclosure of revaluation policies including policies on interim revaluation processes and circumstances, after performing a management assessment, that a comprehensive revaluation should be performed instead of an interim revaluation (TD21-05, para 1(C)).
- Agencies are to analyse what transactions and balances they may administer on behalf of the Crown or another Agency and ensure these transactions and balances are not included as controlled transactions or balances within their Prime submission or the pro-forma financial statements. Additionally, the administering Agency must ensure it provides all necessary information to the controlling agency or to the Crown (State revenue agencies) to ensure complete reporting of transactions and balances by that Agency as well as disclosing the administered activities in its own pro-forma financials (disclosure only). With reference to TPP21-03, the substance of who controls and who administers should be clearly documented between the impacted Agencies.
- insurance, superannuation, long service leave, other employee liabilities and other provision calculations using up-to-date assumptions and inputs, with the exception of assumptions that will only be finalised at year end including discount rates, salary growth and redundancy programmes. Under accounting standards, insurance, superannuation, other employee liabilities and other provisions, that are estimated using actuarial techniques, require a 30 June liability discount rate. Agencies should use amounts accrued year-to-date in the Early Close / Hard Close Financial Statements. These are required to be updated as part of the year-end procedures at 30 June. Where the assumptions have been finalised, these assumptions should be documented and provided to the Audit Office at Early Close / Hard Close.
- any other narrative disclosures.

Early Close Agencies when preparing the pro-forma Financial Statements **do not** have to:

- **Update Disaggregated disclosure statements.** The Accounting Policy and Advisory team are currently reviewing the requirement for disaggregated disclosures at year-end.
- **Update "Summary of Compliance" disclosure tables (applicable to certain agencies who are required to report on appropriation and/or deemed appropriation).**
- **Update Fair value measurement of non-financial assets disclosures.** Note that Agencies are still expected to carefully check the mapping of balances across the fair value hierarchy levels in Prime at Early Close.

- **Update Financial instruments note.**
- **Update Contingent assets and contingent liabilities disclosures.** *Expected year-end disclosure should be considered for inclusion in the Information for Emerging Issues return(s).* Accounting Standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137) requires disclosure of contingent assets and contingent liabilities in the financial statements. Agencies are to disclose their known contingent assets and liabilities in their financial statements and complete and submit the Contingent Assets and Liabilities Supplementary Return to Treasury at year-end. The year-end Return also requires information on contingent assets and liabilities that exist but are not reported by the Agency, as they are the responsibility of Treasury administering for/on behalf of the Crown in the right of the State of New South Wales (the Crown).
- **Update Capital commitments note.**
- **Update Non-cash financing and investing activities note.**
- **Update Related party disclosures note.** Note that Agencies are still expected to carefully review all ICP and ECP tagging in Prime at Early Close.
- **Prepare Events after reporting date disclosure.** Expected year-end disclosure should be considered for inclusion in the Information for Emerging Issues return(s).

For any of the above disclosure notes that are de-scoped for updating in the pro-forma financial statements, the agency is not required to:

- update these for the current year-to-date amounts
- update the related qualitative disclosures

However, agencies must still roll forward these notes from the prior year and retain them in their pro-forma financial statements.

It is recommended that Early Close Agencies keep their Audit teams informed of any notes that are expected to be de-scoped from the pro-forma financial statements.

Hard Close Agencies may only de-scope the above note disclosures from the pro-forma financial statements if it is mutually agreed with the Audit Office.

- x. **Finalise Right-of-Use-Assets and Lease Liability balances.** Agencies need to ensure that all lease arrangements are accurate and complete, and all work papers should be made available to the Audit Office for their review. Consideration should include:
- all additions and disposals (terminations) of leases are reflected in the movements of right-of-use assets and lease liabilities
  - right-of-use-assets and lease liabilities should include the impact from changes in future lease payments (e.g. upon market rent review) and lease term (e.g. change in estimates on lease extension options)
  - Agencies are required to assess at the end of each reporting date whether there are any indications of impairment/reversal of impairment in accordance with AASB 136 *Impairment of Assets* (AASB 136), and
  - the initial recognition of new leases, and lease modifications for which the use of a new discount rate is required by AASB 16, are measured using the latest AASB 16 discount rate published on the Treasury website, unless TCorp rates are not applicable to the Agency.

Please refer to [TC 20-02 AASB 16 Lease Subsequent Measurement of Right of Use Asset](#) for further details.



- xi. **Finalise assessment of all revenue contracts.** Agencies should complete their assessment of all revenue contracts (new and modified) and ensure revenue is accurate, complete and has been correctly accounted for under AASB 15 or AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058).

Please refer to the [Accounting Policy](#) website for additional guidance.

- xii. **Provide details of any correction of material prior period errors.** The Agency may only change comparative information if the change is required by Australian Accounting Standards. For example, due to a change in accounting policy or as a correction of a material error in a prior period. Note, Australian Accounting Standards require that all changes resulting from revisions to estimates must be made prospectively, and not retrospectively adjusted. The Agency's financial statements should be aligned to the prior year P12 Prime data, and subsequent adjustments reflected via Form 5C and carried through as MOBAJ2 adjustments. Please email [tssa@treasury.nsw.gov.au](mailto:tssa@treasury.nsw.gov.au) and your TSFR analyst with the details of any unadjusted discrepancy, including Prime accounts, amounts and an explanation. Agencies will need to demonstrate that the change is eligible for retrospective restatement and complies with accounting standards. Treasury will assess how the change will be captured in PRIME on a case by case basis.
- xiii. **Perform variance analysis with meaningful explanations.** It is suggested actuals versus pro-rata budget (statement of comprehensive income), and year-to-date actuals to the previous year (balance sheet) with management's documented review and endorsement of the analysis.
- xiv. **Document the accounting treatment for restructures and discontinued/abolished Agencies.** The accounting treatment for changes to Agency structures resulting from legislative or other changes, should be documented and available for review by Treasury and the Audit Office at Early Close (this applies only to changes effective on or before 31 March 2025), or at Hard Close.

Restructures, discontinued and/or abolished Agencies will impact financial reporting requirements. The effects of such changes need to be assessed for each Agency. For part-year financial reporting requirements of an Agency that has been abolished or dissolved, Early Close / Hard Close pro-forma Financial Statements should reflect all necessary disclosures that are required due to restructures.

Agencies should refer to *TPP21-08 Accounting Policy: Contributions by owners made to wholly-owned Public Sector Entities* and AASB 1004 *Contributions* (AASB 1004) and AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* (Int 1038) for guidance on financial statement disclosures and the designation of asset/liabilities transfers as transfers of equity. Funding to State-owned corporations is also required to apply *TPG22-28 Policy and Guidelines: Returns on Equity Investments*. Treasury is currently preparing revised guidance on determining when transfers should be treated as equity injections. Therefore if agencies have material transfers in-year, they should contact the Accounting Policy and Advisory team to discuss the treatment as an interim measure.

In accordance with section 7.7 of the *Government Sector Finance Act 2018*, a former reporting GSF Agency is required to prepare a financial report for the period until the date that it ceased to be a reporting GSF Agency. However, the Treasurer may give directions:

- exempting a former reporting GSF Agency from that requirement, or
- modify that requirement for such an Agency.

Please refer to [TD24-22 Financial and Annual Reporting by former reporting GSF agencies](#).

- xv. **Obtain evidence of authorities/approvals for transactions within delegation authorities.** Agencies should ensure that all material transactions are supported by appropriate delegations.

Under the *Government Sector Finance Act 2018*, all transactions require a relevant authority. Agencies should ensure financial statements work papers include evidence of authorities and approvals, that are within the appropriate delegations for significant items, such as:

- restructured arrangements
- material, complex or one-off transactions, and
- equity transfers.

Relevant authority might be evidenced by:

- Treasurer's Directions
- Written delegations from Ministers, and
- Secretary/Chief Executive/CFO Delegations (financial).

- xvi. **Review and resolve prior year Management Letter and Engagement Closing Report issues.** Agencies should review all prior management letters and audit engagement closing reports to consider appropriate management responses and actions. Agencies should:

- document evidence of management's review of issues raised and endorsement of the solutions/approach, including resolved issues
- assign responsibility for issue resolution to appropriate staff
- update ledgers, financial statements and note disclosures to reflect the solutions/approach
- retrospectively restate comparative information where applicable, to reflect new treatments, and
- engage with auditors, Treasury and other stakeholders as required.

- xvii. **Complete and return the Commonwealth Funding Return and Revenue Assessment Forms.** Agencies that receive funding through Commonwealth-State Funding Agreements indirectly via the appropriation process, must complete and return the Commonwealth Funding Return and Revenue Assessment Forms ([Appendix F](#)) for all new and amended Commonwealth Funding Agreements entered or amended during this financial year. Agencies are required to complete Commonwealth Funding Return (previously schedule 8 and 9 of the Crown Data Return). Agencies are also required to confirm to Treasury that all required Commonwealth Funding Return and Revenue Assessment Forms have been submitted to the Crown team by no later than Monday, 28 April 2025. This due date also applies to Hard Close Agencies.

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## 2.5 Guidance

The intention of the mandatory Early Close is to facilitate the earlier preparation of Agency financial statements and the State's Consolidated Financial Statements, as well as improve quality and minimise the risk of audit qualifications or errors in financial statements submitted to Treasury and the Audit Office. The Early Close process assists in ensuring the integrity of the year-to-date position and can highlight issues to be resolved before the end of the financial year.

A second Guidance will be issued before 30 June 2025 outlining the year-end reporting requirements. A preliminary year-end timetable is set out in [Appendix E](#).

Stakeholder plans should allow sufficient time for management review and involvement of ARCs as applicable.

Agencies should ensure that Early Close / Hard Close Pro-Forma Financial Statements include disclosures required by Australian Accounting Standards and NSW Treasury policy for all material transactions and balances of the Agency. This includes addressing all disclosure requirements and recommendations, to the extent applicable to the Agency, referred to in section 2.4(ix) above.

To support agencies with Early Close Procedures and the preparation of Early Close / Hard Close Financial Statements, Treasury expect to issue the 2024-25 Financial Reporting Code and Mandates of Options in March 2025.

The Accounting Policy and Advisory team are planning to update or publish the following guidance in the upcoming months:

- TPG 24-05 Policy and Guidelines: Financial Reporting Code for NSW General Government Sector Agencies
- TPG 24-06 Mandates of options and major policy decisions under Australian Accounting Standards
- TC18-05 AASB 16 *Leases* Transition Elections
- TC20-02 AASB 16 *Leases* – Subsequent Measurement of right-of-use assets
- TC19-07 AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* Transition Elections
- Guidance for AASB 15 *Revenue from contracts with customer*
- Guidance for AASB 16 *Leases*
- Guidance for AASB 1058 *Income of not-for-profit entities*
- Frequency Asked Questions (FAQs) – AASB 16 *Leases*
- Guidance on AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
- Updated guidance on equity transfers.

The majority of these guidance documents are not expected to have a significant impact to agencies. In the case of updated guidance which may result in significant change, the Accounting Policy and Advisory team is already engaging with the agencies expected to be impacted in this regard.

## 3. Audit Planning

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### 3.1 Instructions

- Agencies should develop and agree on timetables and processes to resolve emerging issues with the Audit Office.
- Agencies should hold a formal planning meeting with the Audit Office ahead of Early Close / Hard Close submissions.
- Agencies should agree with the Audit Office at the planning stage the matters that require accounting position papers for Audit Office review.
- Agencies should consult with the Audit Office, at the audit planning stage, to agree on what audit procedures their audit team is planning to perform at Early Close / Hard Close and the relevant account focus areas.
- Timetables for the preparation of Early Close / Hard Close Pro-Forma Financial Statements and supporting information should be developed and agreed with the Audit Office.
- Agencies must share their Audit Office issued reports relating to Early Close / Hard Close with NSW Treasury.

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### 3.2 Guidance

Agencies should notify the Audit Office timely when matters arise that will be recorded in their Information on Emerging Issues Return and should agree with their audit teams the timetable and process to resolve each issue. This includes providing the Audit Office with accounting position papers.

As part of the audit planning process, management should ensure they discuss with the Audit Office and understand:

- The planned scope and timing of audit procedures, at Early Close / Hard Close and at Year-End; and
- Significant risks identified by the Audit Office, as part of its audit planning process, and how the Audit Office plans to address these risks.

This will assist management in fulfilling their responsibilities for the financial reporting process. It will also assist the Audit Office to better understand the Agency and identify any significant risks at the planning stage.

The planned scope and timing of the audit and significant risks should be documented in the minutes of the planning meeting. Management should also review the written communication from the Audit Office on the planned scope and timing of the audit and significant risks, for example, in the Annual Engagement Plan.

Agencies should discuss with their audit teams what audit procedures are planned at Early Close / Hard Close, as well as ensuring the relevant financial statement areas are finalised and reconciled. Supporting documentation for these areas should be available for audit at Early Close / Hard Close. It is expected Early Close / Hard Close audit procedures will be set out in the Audit Office's Annual Engagement Plan.

The Audit Office may determine that limited or no audit procedures are appropriate at Early Close for smaller agencies.

At the audit planning stage, agencies should agree with the Audit Office those matters that require accounting position papers as well as the format and timing of provision to the Audit Office. Agencies should discuss with Treasury Accounting Policy and Advisory where the relevant matter is likely to be contentious, highly judgemental, material to the State or systemic. Agencies must confirm with the Audit Office the format and timing of position papers on the issues prior to completing Early Close / Hard Close Procedures.

Agencies should agree with the Audit Office the timetable, including the provision of the pro-forma Financial Statements and supporting documentation, the timing and the scope of the review by auditors and the consequential impact on the timing and scope of the auditor's work at year-end. Management should meet with their audit teams at the completion of the Early Close / Hard Close audit procedures to identify matters that require resolution as part of the final audit. Potential significant matters should be reported to Treasury through Information on Emerging Issues Returns at the earliest opportunity.

A key area of focus at Early Close are valuations for non-financial assets. In time for Early Close / Hard Close these must be finalised, including non-financial assets that have been subject to a comprehensive valuation. Documentation of assessments of methodologies, assumptions, judgements and other key inputs, with external valuations reviewed by management is to be completed as part of this process. This is to then be shared and discussed with the audit team as part of the Early Close / Hard Close process.

Agencies should forward Early Close audit results to the NSW Treasury by Wednesday, 4 June 2025 or one day after receipt of the reports from the Audit Office if letters are received on a later date. Where available, this should be a copy of the Observations of Early Close Procedures and the Interim Management Letter. For agencies performing Hard Close, a copy of any formal feedback provided by the Audit Office regarding the Hard Close process should be provided to NSW Treasury within one day of receipt of the letter from the Audit Office.

## 4. Emerging Issues Reporting

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### 4.1 Instructions

- Agencies must report emerging issues to the Treasury at dates specified in section 4.2 of this TPG.
- Agencies must communicate these emerging issues to their respective ARC in a timely manner.

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### 4.2 Emerging Issues Reporting Dates

Information on Emerging Issues is required at two points before year-end as follows:

- Preliminary Return – to identify issues and address the potential impact on the year-end projection and forward estimates: Monday, 28 April 2025
- Final Return – to update potential impacts to the year-end, including issues identified by the Audit Office as part of the Early Close / Hard Close Procedures and the resolution of previously reported issues: Wednesday, 18 June 2025

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### 4.3 Guidance

Reporting of emerging issues is a key control for Agencies and Treasury to reduce the risk of errors at year-end. It is important Agencies report all potential significant accounting issues to the NSW Treasury Accounting Policy and Advisory team as they arise, not at the point where the Agency is unable to resolve the issue with their audit team. This will allow the NSW Treasury Accounting Policy and Advisory team to work with Agencies to support the accounting position, where necessary, prior to submission to the Audit Office.

Treasury maintains a register of potential issues as part of the Consolidated State Financial Statements year-end process. Emerging issues reported by Agencies will be included on the register where significant to the Consolidated State Financial Statements. In these instances, Treasury will contact Agencies, and agree a plan to resolve the issue, including achievable timelines.

Emerging issues submissions should include all issues that have the potential to materially affect either the year-end financial statements or the Agency year-end process. See [Appendix C](#) for details.

## 5. Exemptions and Extensions

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- A. The Executive Director, Financial Stewardship & Public Reporting of NSW Treasury may, on his or her own initiative, or in response to a written request from the Chief Financial Officer of an Agency, grant an exemption from, or extension in relation to, one or more of the requirements of this Guidance.
- B. The Chief Financial Officer of an Agency may request an exemption from, or extension in relation to, one or more of the requirements of this Guidance by writing to the Executive Director, Financial Stewardship & Public Reporting of NSW Treasury.
- C. The Chief Financial Officer of an Agency must consult with the Audit Office prior to seeking an exemption or extension under this section.
- D. A request for an exemption or extension under this section must identify:
  - i. the requirement or requirements that the Chief Financial Officer of an Agency is seeking exemption from, or an extension in relation to,
  - ii. reasons why the Chief Financial Officer of an Agency cannot comply with the requirement or requirements, and
  - iii. the outcome of consultation with the Audit Office.

Note any exemptions and extensions should be sought ahead of 31 March 2025 by sending the relevant information to [legislation@treasury.nsw.gov.au](mailto:legislation@treasury.nsw.gov.au) in the first instance.

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# Appendix A: Guidance – Valuation of Physical Non-Current Assets

## 1. Background

TD21-05 Valuation of Physical Non-Current Assets at Fair Value requires all material physical non-current assets (“Assets”) of Agencies, including property, plant, and equipment (including service concession assets) and investment properties to be measured at fair value for the purposes of preparing the Agency’s financial statements. Assets are measured at fair value to ensure compliance with Australian Bureau of Statistics GFS Manual and AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049) measurement requirements applied in the preparation of the Total State Sector Accounts.

The Agency must carry out the revaluation steps of TD21-05 for all assets unless:

- the Asset or Assets are non-specialised assets with short useful lives that can be measured at depreciated historical cost as an acceptable surrogate for fair value, or
- the Asset or Assets are unlikely to be material to the financial statements of the Agency for the relevant year.

Treasury Policy and Guidelines Paper TPP21-09 Valuation of Physical Non-Current Assets at Fair Value provides requirements and guidance for valuing physical non-current assets at fair value for general purpose financial reporting, taking into account the unique circumstances of the public sector. Treasury Policy and Guidelines Paper TPG23-09 Guidance when performing valuations of physical non-current assets provides practical guidance for valuing physical non-current assets for general purpose financial reporting. Treasury Circular TC21-11 Timetable for Agency Asset Valuations outlines the recommended timetable for asset valuations to be undertaken by Agencies.

### New accounting standard from 2024-25

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) applies to annual periods beginning on or after 1 January 2024. This standard amends AASB 13 *Fair Value Measurement* 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. AASB 2022-10 specifies that an entity is required to consider whether an asset’s highest and best use differs from its current use only in limited circumstances, provides guidance on how the cost approach is to be applied to measure an asset’s fair value and provides other guidance relevant for not-for-profit public sector entities.

AASB 2022-10 potentially impacts PPE valued using the cost approach, such as infrastructure and specialised buildings. Application of AASB 2022-10 requires judgement by agencies and valuers. Guidance on application on 2022-10 will be published soon by the Accounting Policy and Advisory team.

## 2. Early Close / Hard Close Process

Valuations must be finalised, including reviews by management, as part of Early Close / Hard Close. This includes providing management valuations, external valuations and management reviews to the Audit Office, so audit procedures can be completed at Early Close / Hard Close.

As noted in TC21-11, Agencies should identify non-current physical assets that are not currently recognised, because they previously determined those assets could not be reliably measured. Before Early Close / Hard Close, a reassessment of the reliable measurement criteria should be conducted and documented in a position paper. Agencies should share their position paper with the Audit Office and, where relevant, organise external valuations as part of Early Close / Hard Close.

**Note:** Ownership and Control – Agencies need to consider which assets they control/do not control under Australian Accounting Standards. Where necessary, conclusions should be adequately documented.

**Note:** Agencies should have controls in place to ensure fixed assets registers are complete and accurate. It is important to distinguish between those assets using the cost approach from the income and market approaches as this impacts how accumulated depreciation is treated (section 9.2 of TPP21-09).

### 3. Management Responsibilities for Valuations

Valuations are ultimately the responsibility of the Agency's management. TD21-05 requires:

- Individual(s) to be appointed within the Agency to be responsible for the revaluation process
- a valuation plan must be prepared which sets out and governs the process for each revaluation of the Agency's assets
- the valuation plan must be reviewed by senior management before any revaluation is performed
- when the valuation process involves an independent valuer, written instructions must be provided to the independent valuer
- the independent valuer must be consulted to agree on the approach to be taken by the valuer for the revaluation, and
- revaluations, whether they are performed by an independent valuer or by the Agency internally, must be reviewed by an appropriately qualified person within the Agency to ensure that the revaluations are appropriate before they are relied on or used by the Agency.

Section 8.5 of TPP21-09 provides further guidance for Agencies on how to manage the valuation process.

**Note:** Agencies should document their annual assessment of fair value, useful lives and residual values including reasons why the Agency concluded carrying value was not materially different to fair value. If requested, Agencies must be able to provide results of the last completed comprehensive valuation to Treasury.

### 4. Guidance on Management's Role in the Valuation Process

In carrying out a valuation, an Agency should:

#### a) *Identify the requirements of the revaluation*

As part of the planning for the valuation, management should:

- assess whether an external valuation is required, and if so, the external valuers best placed to perform the valuation

- determine the scope of the assets subject to valuation
- determine timeframes, and
- consider the impact of previous audit issues and recommendations.

### Comprehensive Revaluations of an Agency's Assets

Revaluations should be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

To ensure comprehensive external valuations are conducted with sufficient regularity, TD21-05 requires Agencies conduct a comprehensive revaluation:

- at least every 3 years for Land and Buildings, (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique for that asset under AASB 13 *Fair Value Measurement* (AASB 13), and
- at least every 5 years for all other classes of assets.

Comprehensive revaluations must be performed or reviewed by an external professionally qualified valuer and should include an assessment of the physical condition of the assets.

If an item of property, plant and equipment is revalued then the entire class of property, plant and equipment to which the asset belongs must be revalued (AASB 116 *Property, Plant and Equipment* (AASB 116), para 36). Items within a class of property, plant and equipment are revalued simultaneously to avoid selective revaluation; but a class may be revalued on a rolling basis provided revaluation of the class is completed within a short period and provided revaluations are kept up to date (AASB 116, para 38). Rolling revaluation policies should ensure assets are revalued on an even and systematic basis.

### Interim Revaluations of an Agency's Assets

In years when no comprehensive revaluation is performed, Agencies must conduct management assessments (in time for Treasury's mandatory Early Close / Hard Close procedures) of whether there is any indication that an Agency's assets carrying amount differs materially from their fair value.

Where management assessments indicate a material difference, an interim revaluation must be performed:

- an interim management revaluation should be undertaken when cumulative increases / decreases in indicators / indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount, or
- an interim formal revaluation should be undertaken where there has been a cumulative increase / decrease in indicators / indices generally greater than 20%. Interim formal revaluations involve using external professionally qualified valuers (either to conduct the revaluation, which could be a full comprehensive inspection, a limited inspection or a desktop assessment, or to review the revaluation performed by management). Depending on management's assessment an interim formal revaluation may be replaced with a comprehensive revaluation.

Where interim management or formal revaluation results demonstrate that fair value differs materially from carrying amount, the related asset must be revalued with the results of the revaluation recognised in the financial statements. Where there has been a movement in

indicators generally greater than 20%, consideration must be given as to whether comprehensive revaluations are required more frequently. Agencies need to comprehensively revalue a class of assets more frequently where the assets are subject to significant and frequent movements in fair value. This decision must be made in conjunction with, or subject to the review of, an external professionally qualified valuer.

Section 8.1 of TPP21-09 provides further guidance for Agencies on the frequency and types of revaluations.

**b) Agree with the external valuer the appropriate valuation methodology**

Written instructions must be provided to the engaged independent valuer. These instructions must:

- include a request that the valuer provide a written scope of work that sets out the valuer's terms of engagement, and
- specify that the independent valuer must perform their revaluation or review in accordance with the requirements of TD21-05.

As part of the appointment process, the external valuer should demonstrate their understanding of the Agency's asset base and circumstances by setting out their proposed approach to the asset valuation. This should include:

- valuation technique(s) – e.g. income approach, current cost approach, market approach
- valuation inputs
- the use of indexation
- sampling, and
- key assumptions.

The valuer must provide a written scope of work, i.e., terms of engagement on which they will be acting (refer IVS 101 *Scope of Work*). The content of a professionally qualified valuer's report is prescribed in IVS 103 *Reporting* and should include the following explicit statements:

- the valuation is made or reviewed in accordance with AASB 13 *Fair Value Measurement* (AASB 13), AASB 116, AASB 140 *Investment Property* (AASB 140) and AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059) (where relevant) and TPP21-09
- the methods(s) used in determining fair values for each class of assets, and
- the reason for the method(s) used (for example, that assets have been valued at existing use because of the restricted use or absence of feasible alternative uses).

Management should review and agree on the reasonableness of the external valuer's approach before the valuation takes place.

**Note:** The current replacement cost method requires the external valuer to consider and document the asset base including key cost drivers, appropriate componentisation, condition assessment and agreed unit cost rates. Management will need to liaise with the external valuer on these matters before the valuation occurs.

**Note:** Care needs to be taken in determining and reviewing useful lives – for instance constant revision of useful lives or a high number of fully depreciated assets may indicate that appropriate useful lives were not selected in the first instance. Useful lives should not automatically be rolled forward at each valuation. e.g. the justification for rolling forward a fifty year useful life after each valuation should be sufficiently documented.

**Note:** Indexation - Reference should be made to TPP21-09 when considering indices. Indices should be appropriate for the underlying asset base. In some instances, indexation may not be required. Indexation should generally not be used as a substitute for a full revaluation.

**c) Review the valuation report**

Management cannot outsource their primary responsibility for valuations and are best placed to understand the circumstances of their Agency and the Agency’s physical non-current assets. Therefore, management must conduct robust reviews of external valuers’ reports, challenging the report findings where necessary. These reviews should be documented.

Management reviews should ensure the external valuer’s findings are consistent with the Agency’s assets and circumstances, make sense and are suitable for the assets reviewed. The review should also ensure that the external valuer’s assumptions, methodologies, sources etc are adequately supported and documented.

Documentation of the following matters in external valuers’ reports commonly need improvement:

- how highest and best use was determined. Note there have been amendments to this concept in light of AASB 2022-10 (para Aus 28.1, Aus 29.1 and Aus 29.2).
- rationale for the chosen valuation approach (i.e. market, income or cost)
- evidence of comparable assets used to determine valuations, and
- significant judgements, e.g. discount rates, adjustments for assets’ location, condition and restrictions.

**Note:** Fair value hierarchy - Management should demonstrate and document why assets have been placed in each level of the valuation hierarchy under AASB 13. For instance, valuations with Level 2 classifications should not contain significant unobservable inputs.

**d) Engage with the Audit Office**

Management should engage with the Audit Office as early as possible. This should include the scoping stage and meeting with valuers. The annual engagement plan should acknowledge the Audit Office are likely to request meetings with the valuer and management to discuss the valuation results.

**5. Valuing Specific Types of Non-Current Assets**

The following table summarises guidance on revaluing specific types of assets. Refer to section 7 of TPP21-09 for further details:

Asset Class	Valuation Considerations
Land	<ul style="list-style-type: none"> <li>• Comprehensive revaluations are required at least every 3 years for land (except land under infrastructure) where the market or income approach is the most appropriate valuation technique for that asset under AASB 13 <i>Fair Value Measurement</i> (AASB 13), and at least every 5 years for all other classes of assets.</li> </ul>

Asset Class	Valuation Considerations
	<ul style="list-style-type: none"> <li>• Restricted land is generally measured in combination with the plant or infrastructure on the land</li> <li>• The valuation technique applied is generally the market approach (i.e., comparable sale price) or income approach (e.g. comparable rental income stream), and</li> <li>• Land valuations are likely to be assessed at level 2 or 3 of the fair value hierarchy.</li> </ul>
<b>Buildings</b>	<ul style="list-style-type: none"> <li>• Comprehensive revaluations are required at least every 3 years for buildings (except infrastructure) where the market or income approach is the most appropriate valuation technique for that asset under AASB 13, and at least every 5 years for all other classes of assets.</li> <li>• Specialised buildings are generally measured using the cost approach. However, if part of a cash generating unit, the income approach may be employed for the Assets</li> <li>• Non-specialised buildings are generally measured using the market or income approach</li> <li>• Specialised buildings are likely to be assessed at level 3 of the fair value hierarchy, and</li> <li>• Non-specialised buildings are generally assessed at level 2 or 3 of the fair value hierarchy, depending on market conditions.</li> </ul>
<b>Specialised Plant and Infrastructure</b>	<ul style="list-style-type: none"> <li>• Comprehensive revaluations are required at least every five years</li> <li>• As specialised assets do not generally have any feasible alternative use, they will be measured in combination with the land on which they are built and any other related infrastructure or plant and equipment</li> <li>• Specialised assets are generally measured using the cost approach. However, if considered part of a cash generating unit, the income approach may be employed, and</li> <li>• Specialised plant and infrastructure are most likely to be assessed at level 3 of the fair value hierarchy.</li> </ul>
<b>Service Concession Assets</b>	<ul style="list-style-type: none"> <li>• Fair value for service concession assets must be determined using the cost approach (i.e., current replacement cost) (AASB 1059, paras 7 &amp; 9).</li> </ul>
<b>Heritage Assets</b>	<ul style="list-style-type: none"> <li>• Generally measured using the market approach when observable market prices are evident or the cost approach (i.e., reproduction / replication cost)</li> <li>• Heritage assets are most likely to be assessed at level 3 of the fair value hierarchy, but can be level 2 when there is an active market/observable market prices (for example – artworks), and</li> <li>• Certain heritage assets may not be recognised if they cannot be reliably measured. This needs to be supported by an external expert and disclosed in the notes to financial statements where material.</li> </ul>

Asset Class	Valuation Considerations
Other Non-Specialised Assets (i.e., Vehicles)	<ul style="list-style-type: none"> <li>• Comprehensive revaluations are required at least every five years, and</li> <li>• When the asset has a short useful life, TD21-05 allows depreciated historical cost to be used as an acceptable surrogate for fair value.</li> </ul>
Assets Under Construction	<ul style="list-style-type: none"> <li>• Assets under construction and assets recently constructed generally do not require revaluation. In most cases, the cumulative construction cost of the asset before completion of construction and sometime after is not materially different from its fair value (especially when an asset's fair value is determined based on current replacement cost). However revaluation of assets under construction may need to be considered in the following circumstances: <ul style="list-style-type: none"> <li>○ there is evidence the asset is impaired</li> <li>○ construction occurs over a substantial number of years and historical costs no longer accurately reflect fair value (i.e., because of declines or increases in key cost inputs such as materials or labour), or</li> <li>○ construction costs capitalised in accordance with AASB 116 do not satisfy criteria for incorporation into fair value under AASB 13, (e.g. site preparation costs such as costs of demolishing or relocation of existing buildings in some circumstances).</li> </ul> </li> </ul>

For non-financial assets not held primarily for their ability to generate net cash inflows, there are limited circumstances where highest and best use will be different from the asset's current use. These exceptions are contained in AASB 13.Aus29.1 and Aus29.2.

## 6. Determining Fair Value

Three widely used valuation techniques are the market approach, the cost approach and the income approach. Agencies must use valuation techniques consistent with one or more of these approaches to measure fair value (AASB 13, para 62). Further detail on valuation techniques can be found in section 5 of TPP21-09.

When determining the fair value of an item of property, plant and equipment:

- When using the cost approach - any accumulated depreciation must be restated proportionately with the change in the gross carrying amount of the Asset so that the carrying amount of the Asset after revaluation equals its revalued amount. This method is often used when an Asset is revalued by means of applying an index to its depreciated replacement cost, and
- When using the income approach or the market approach - any accumulated depreciation must be eliminated against the gross carrying amount of the Asset and the net amount restated to the revalued amount of the Asset. This method is often used for buildings.

## 7. Impairment Testing



AASB 136 *Impairment of Assets* (AASB 136) prescribes the procedures that an agency applies to ensure that its assets are carried at no more than their recoverable amount.

AASB 136 does not apply to assets of not-for-profit agencies that are:

- not held primarily for their ability to generate net cash inflows, and
- regularly revalued to fair value under the revaluation model in AASB 116. (AASB 136 para Aus5.1).

These are typically specialised assets held for continuing use of their service capacity and rarely sold, so their cost of disposal is typically negligible. Therefore, the recoverable amount of such assets is expected to be materially the same as their fair value.

Thus, AASB 136 applies to:

- assets held by for-profit entities, or
- assets held by not-for-profit entities if they are held primarily for their ability to generate net cash inflows.

Although many assets held in the public sector will not be subject to impairment provisions of AASB 136 by virtue of AASB 136 para Aus5.1, the rationale of this provision is not to exempt agencies from considering impairment indicators. Instead, it reflects the expectation that agencies will consider impairment as part of their regular revaluation policy required under AASB 13. This means there is not expected to be a material difference between the assets' carrying amount and recoverable amount. Therefore, AASB 136 provisions apply to not-for-profit entities. For example if an asset that continues to be used has been damaged, becomes obsolete or if there are other impairment indicators related to the asset and the asset's loss of value has not been captured by revaluation.

Under AASB 136, Agencies need to assess at the end of each reporting date whether there are any indicators of impairment (AASB 136, para 9). When there are indicators, an estimate of the recoverable amount, being the higher of value in use or fair value less costs of disposal (AASB 136, para 6), must be made for the asset or cash-generating unit. An impairment loss is recognised when the carrying amount of the asset or cash-generating unit exceeds the recoverable amount (AASB 136, para 59).

## **8. Disclosures**

For Early Close / Hard Close, Agencies should disclose in the pro-forma Financial Statements, the Agency's policy on revaluation, including:

- when an interim revaluation should be performed or reviewed by an external professionally qualified valuer, and
- the circumstances in which an Agency may determine, after performing a Management Assessment, that a comprehensive revaluation should be performed instead of an interim revaluation.

For each class of property, plant and equipment, Agencies should include disclosures on the effective date of the revaluation and whether an independent valuer was involved.

TD21-05 also specifies disclosures required for material Assets that are not recognised in the financial statements because a reliable value cannot be obtained (for example, certain heritage assets).

Section 9 of TPP21-09 provides further guidance for Agencies on the disclosure framework for fair value measurements.

## 9. Other Considerations

Agencies should also consider the following:

- Agencies are required to review Asset's useful lives and residual values at the end of each annual reporting period for appropriateness (AASB 116, para 51)
- revalued assets must be depreciated based on the revalued amounts from the day after the date of the revaluation. At year-end Agencies must assess whether there is any indication an Asset's carrying amount differs materially from fair value recorded for Early Close / Hard Close
- Agencies need to consider prior year decrements recorded in the net result when recognising Asset revaluation reserve increments in the current year. Revaluation increments are to be offset first in the net result to the extent of any previous revaluation losses recognised in the net result
- the Asset revaluation reserve balance should be reconciled to the Assets held at balance date, with any surplus / deficiency being transferred to / from Accumulated Funds
- revalued Asset amounts in valuation worksheets/reports should reconcile to the values in the asset register/general ledger provided to Treasury
- AASB 2022-10 amends AASB 13 *Fair Value Measurement* 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 Accounting Policy and Advisory team will publish guidance separately on these changes.

## Appendix B: Early Close Procedures Checklist

*Early Close Agencies are to forward the completed checklist to Treasury and the Audit Office no later than 28 April 2025.*

*Hard Close Agencies are to forward the completed checklist to Treasury and the Audit Office in accordance with Section 2.3 of the TPG, noting that some items on the checklist may have already been supplied to Treasury and the Audit Office.*

Email: [tssa@treasury.nsw.gov.au](mailto:tssa@treasury.nsw.gov.au)

Agency Name \_\_\_\_\_ Agency No. (Prime) \_\_\_\_\_

	yes "✓" no "x" n/a "-"
➤ Confirm format of pro-forma Financial Statements as agreed with Audit Office.	
➤ Confirm that the pro-forma Financial Statements have been completed, reviewed by management, and include detailed work papers.	
➤ Confirm notes to the financial statements have been updated as outlined in section 2.4.ix.	
➤ Accounting position papers ( <a href="#">Appendix D</a> ) for key emerging issues have been submitted to the Audit Office for feedback.	
➤ Confirm the Agency complies with Treasury's mandatory accounting policies with a detailed explanation if it does not comply.	
➤ Confirm management review and sign off of the revaluation of Property, Plant and Equipment (PPE).	
➤ Confirm the fair value assessment of PPE has been documented and submitted to the Audit Office for review.	
➤ Confirm the revalued PPE has been included in the Early Close / Hard Close Prime submissions and pro-forma financial statements.	
➤ Confirm PPE / intangible movements in the balance sheet and break downs in the note disclosures have been reconciled.	
➤ Confirm all lease arrangements have been correctly accounted for under AASB 16 as per section 2.4.x.	
➤ Confirm all revenue contracts have been assessed and accounted for under AASB 15 and AASB 1058 as per section 2.4.xi.	
➤ Confirm there are no changes to the 2023-24 closing balances as outlined in section 2.4.xii. If a change is proposed: attach journal, explanation and proposed disclosure.	
➤ Confirm an agreed action plan is in place to address prior year Management Letter and Engagement Closing report issues from the Audit Office. Provide explanations of unresolved issue(s) as per section 2.4.xvi.	
➤ Confirm that all inter-Agency balances and transactions as at 31 March 2025 have been broken down by Agency and inter-Agency balances have been confirmed with contra Agencies as per section 2.4.iv.	
➤ Confirm all key account balances have been reconciled as outlined in section 2.4.vi.	
➤ <i>For Principal Department Agency only:</i> Confirm review and assessment of consistency in accounting treatment of <b>all new material transactions and balances</b> among Agencies within your portfolio. If the accounting treatment of material transactions or balances differ, the Principal Department Agency must communicate the inconsistency to the Accounting Policy and Advisory Team in NSW Treasury as outlined in section 2.4.viii.	
➤ <i>For Principal Department Agency only:</i> Confirm review and assessment of consistency in disclosure of material accounting policy information among Agencies within your portfolio in accordance with section 2.4.viii.	
➤ Confirm that transactions and balances that are administered rather than controlled have been identified, documented and agreed for disclosure and reporting purposes between the administering and controlling Agencies in accordance with section 2.4.ix.	
➤ Confirm <a href="#">Appendix F</a> , the Commonwealth Funding Return and Revenue Assessment Form outlined in section 2.4.xvii has been submitted to Treasury.	
➤ Confirm employee annual leave provisions have been updated as per section 2.4.iii and submitted to the Audit Office for review.	

➤ Confirm month-end Prime data submission has been reconciled to the pro-forma financial statements and Form 05a of the Prime Supplementary Return has been completed with detailed variance analysis as per section 2.4.vii. The month-end date for agencies performing Early Close is 31 March 2025, and the agreed Hard Close balance dates for agencies participating in the Hard Close pilot.	
➤ Confirm variance analysis has been completed, with meaningful explanations of key variances made available for review by Treasury and the Audit Office as per section 2.4.xiii.	
➤ If your Agency has been impacted by changes to legislation and / or financial reporting requirements, confirm that these have been identified and documented and have been made available for review by Treasury and the Audit Office as per section 2.4.xiv.	
➤ Confirm all material transactions are supported by appropriate delegations as outlined in section 2.4.xv.	
➤ Confirm that FY24-25 MOG changes up to 31 March 2025 (for agencies performing Hard Close, this would be as at the Hard Close balance date) has been documented, agreed by the impacted agencies with any relevant materials submitted to the Audit Office.	
➤ Confirm all significant management judgements and assumptions have been documented and submitted to the Audit Office as per section 2.4.v.	
➤ Provide supporting documentation for all areas the Audit Office plans to audit at Early Close / Hard Close, in accordance with the Annual Engagement Plan.	
➤ Confirm additional procedures (as agreed between the Agency and the Audit Office) have been completed as part of the Hard Close process ( <b>applies to agencies participating in the Hard Close pilot only</b> )	
➤ <i>[Agency to detail any other procedures carried out]</i>	

I confirm that the above Early Close / Hard Close procedures have been complied with, as indicated. Where Early Close / Hard Close procedures have not been complied with, an appropriate explanation is attached.

Signed: \_\_\_\_\_ Chief Finance Officer \_\_\_\_\_ (Name of CFO)

Agency Contact: (Name) \_\_\_\_\_ (Tel) \_\_\_\_\_ \_\_\_/\_\_\_/2025

# Appendix C: 2024-25 Information on Emerging Issues

**Due Dates**

- Preliminary submission 28 April 2025
  - Final submission 18 June 2025
- (It is noted that these due dates apply to both Early Close Agencies and Hard Close Agencies)*

Email: [tssa@treasury.nsw.gov.au](mailto:tssa@treasury.nsw.gov.au)

Agency Name \_\_\_\_\_ Agency No. (Prime) \_\_\_\_\_

Where appropriate attach further information e.g. extract from pro-forma notes to financial statements

- Do you have any emerging issues with an impact of more than \$20 million? Yes / No  
If yes, what is the nature of the issue(s)?

.....  
 .....  
 .....

Examples of emerging issues include:

- unresolved accounting policy issues or other matters, which the Audit Office has indicated, may lead to a misstatement or disclosure deficiency in the financial statements or the qualification of the Independent Auditor’s Report
  - key risk areas that could impact the quality or timeliness of your financial statements
  - significant asset revaluations particularly those involving estimation uncertainty
  - significant revenue / expense items – i.e. significant in size compared to the previous year (it is not necessary to report to The Treasury about superannuation, as it is generically volatile)
  - significant adjustments direct to equity – for example from Agency restructures
  - new disclosures resulting from the adoption of accounting standards, changes in accounting policies
  - discontinuing operations, sale of a significant asset, new business acquisitions etc
  - the accounting treatment of new privately financed projects
  - new or significant changes to contingent liabilities/assets.
- Does management plan to amend the 2024-25 financial statements for the emerging issue? Yes / No

If no, the reasons for not amending are:

.....  
 .....

- Have management’s positions on the above emerging issues been provided to the Audit Office? Yes / No / N/A

**Audit Office**

- What date has the audit team indicated that it plans to report to your organisation its observations from the procedures that it conducts on the Early Close / Hard Close? \_\_\_/\_\_\_/2025 or N/A

Signed: \_\_\_\_\_ Chief Finance Officer \_\_\_\_\_ (Name of CFO)

Agency Contact: (Name) \_\_\_\_\_ (Tel) \_\_\_\_\_ \_\_\_/\_\_\_/2025

# Appendix D: Accounting Issue Position Paper

Where transactions and balances involve significant management judgements and assumptions, Agencies must document those judgements and assumptions (as per section 2.4.v).

Email: [tssa@treasury.nsw.gov.au](mailto:tssa@treasury.nsw.gov.au)

## Agency Consideration:

<b>Date Prepared</b>	<i>[insert date prepared]</i>		
<b>Date Updated</b>	<i>[insert date revised if applicable]</i>		
<b>Agency</b>	<i>[insert name of Agency that the issue relates]</i>	<b>Agency #</b>	<i>[insert]</i>
<b>Preparer</b>	<i>[insert name of the preparer of this Position Paper]</i>		
<b>Issue</b>	<i>[insert brief description of the nature of the issue being addressed]</i>		

## Introduction:

*[Describe the purpose of the paper and examples – new AAS, new arrangement, legislative/regulatory changes etc.]*

## Executive Summary:

*[Conclusion on each technical point. Brief explanation (e.g. State is exposed to variable returns through dividends, however State does not have rights to appoint the majority of the Board. Therefore, State does not have power over the relevant activities). Include the so what? Including financial impacts, disclosure impacts, qualitative impacts. Include critical assumptions.]*

## Background:

*[Describe the fact pattern in chronological order and what the current accounting treatment is. Include structure or diagram, assumptions, references to supporting documents, dates and drafting status of all documents.]*

## Relevant pronouncements:

*[Include specific references to AAS, AGFS15, Legislation, Conceptual Framework(s). Include commentary on how it is relevant and linked and any precedence. Optional: other guidance such as NSW Treasury policy, precedents – eg existing similar arrangements, other jurisdictions, private sector, IPSASB standards, USGAAP or guidance/articles published by accounting firms.]*

Are adopted accounting policies/treatment aligned with Accounting Standards? Yes / No

**Technical Analysis:**

*[Assess the facts and assumptions against the pronouncements. Ensure it is step-by-step application, in logical order, follows precedence. Include all potential treatments, not just the assessment that leads to your conclusion – e.g. control and non-control.]*

**Stakeholders:**

*[Describe the key stakeholders impacted by this issue and how they have been consulted.]*

**Proposed Accounting & Financial Impact including Disclosures:**

Does the transaction require retrospective or prospective adjustments (refer AASB 108)? Yes / No

If retrospective adjustments are required, demonstrate that the adjustment required is ‘material’, indicate the historical periods and amounts that require adjustment in the template below.

Please provide journals taking into consideration any impact to prior year financial statements and all impacts to the financial statements, including the reasons for the transaction.

Financial Impact (\$000)	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Budget Result (-ve worsens)</b>					
Operating Result					
Net Lending					
<b>Financial Statement (-ve worsens)</b>					
Balance Sheet					
Operating Statement					
Financial Impact (\$000)	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Prior Year Financial Statements (-ve worsens)</b>					
Balance Sheet					
Operating Statement					

**Concluding Position:**

*[Describe the final position/option that the Agency has identified to be the most appropriate recommendation. Include conclusion on each technical point.]*

--

**Consultation:**

<p><i>[Provide whether the NSW Treasury Accounting Policy and Advisory Team supports the accounting position and details of person consulted. If not consulted, enter 'not applicable'.]</i></p>
--

**Agency Sign Off & Review:**

Sign-off	Role	Signature	Date
[insert name]	Financial Accountant (Preparer)		
[insert name]	Financial Manager (Reviewer)		
[insert name]	Agency CFO (Reviewer)		



## Appendix E: 2024-25 Mandatory Annual Return - Preliminary Reporting Timetable

Agencies need to develop a detailed plan with key stakeholders, including auditors, to achieve these year-end deadlines. Plans should allow sufficient time for management review and involvement of ARCs as applicable.

Annual Return Procedure	2025
Agencies to submit <b>30 June 2025 Prime return</b> consistent with the draft <b>Financial Statements</b> to Treasury.	Wednesday, 16 July
Agencies to submit <b>30 June 2025 Annual Financial Statements</b> to the Audit Office (including supporting work-papers for the Audit Office) and Treasury.	Wednesday, 30 July
Agencies to submit <b>Preliminary Annual Return</b> and the completed <b>Supplementary Return</b> to Treasury.	Wednesday, 30 July
Agencies to complete <b>Update to the Preliminary Annual Return</b> in PRIME (in previous years referred to as Appendix B submission) no later than 1 day after errors (in aggregate, above \$5 million) are identified (corrected or uncorrected). All Agencies are required to complete this return by 15 August 2025, including nil returns.	Friday, 15 August
Agencies to provide <b>Final Annual Return</b> to Treasury.	Within one day of receiving the signed Independent Auditor's Report
Notification of adjusting or non-adjusting events after the 30 June 2025 reporting period.	Within one day of the Agency becoming aware of the issue

# Appendix F: Commonwealth Funding Return and Revenue Assessment Form

## Background

AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15 *Revenue from Contracts with Customers* (AASB 15) came into effect for not-for-profit entities from 1 January 2019. Under these Accounting Standards, revenue from federal funding with sufficiently specific performance obligations attached is no longer recognised on a cash basis. Adjustments are required to recognise revenue from such funding in line with the recipient agency's progress of satisfying the relevant performance obligations.

## Funding Recipient Agency's Role

When federal funding is distributed to departments/agencies through the appropriations process from the Consolidated Fund, the adjustments are posted in the financial statements of Treasury instead of the funding recipient agency. However, it is the responsibility of the funding recipient agency to:

- identify the Commonwealth funding with specific performance obligations with reference to the relevant funding agreements;
- assess the Commonwealth funding and determine if it should be accounted for and reported under AASB 15 or AASB 1058 from the State or General Government Sector perspective, which is required to be **submitted to the Crown within 14 business days of receipt of the email notification from Treasury**;
- calculate related revenue adjustments arising from this funding based on the process of the sufficiently specific performance obligation, if applicable, being satisfied and update the year-to-date actuals for the projects delivered under these agreements in Prime at **Early Close (P9)** and **Year-End (P12)**.
- Complete the **Commonwealth Funding Return** and report to Crown by **28 April 2025**.

## Purpose

This **revenue assessment form's** purpose is to capture the assessment of all new Commonwealth funding agreements and any amendments or extensions to existing agreements onto the Commonwealth Funding Agreement Register maintained by NSW Treasury. This form should be completed by the Agency who is responsible and accountable for the delivery and/or management of the projects under the agreement. Assessment of the applicable revenue accounting standards should be done in consultation with the Agency's Accounting Policy team.

The revenue assessment form (excel based) will be emailed by Crown to the relevant Funding Recipient Agencies upon receipt of the Commonwealth Funding in the Consolidated Funding. The excel based form has been designed to be more user friendly and to include relevant guidance. There is no change to the assessment criteria in the excel based form.

The **Commonwealth Funding Returns** purpose is to support the revenue adjustments reported by the Agencies in Prime as at P9. The amounts reported in the Commonwealth Funding Return are reported in the financial statements of Treasury. This return replaces Schedule 8 and Schedule 9 of the Crown Data Return.

The Commonwealth Funding Return (excel based and pre-filled) will be emailed by Crown to the relevant Funding Recipient Agencies by **31 March 2025**.

**IMPORTANT:**

1. Agencies **must** update the year-to-date actuals for the projects delivered under the Commonwealth funding agreements in Prime each month.
2. Agencies **must** also update the forecast for the projects delivered under the Commonwealth funding agreement at half-year review and budget submission.
3. Please complete the form and submit via email to: [Crown\\_Entity@treasury.nsw.gov.au](mailto:Crown_Entity@treasury.nsw.gov.au)
4. NIL Returns from Agencies are NOT Required.

**A. Resources and Guidance**

NSW Treasury has published Guidance on the application of AASB 15 and AASB 1058 to assist agencies when assessing the application of these standards. Further guidance for any complex or material funding agreements should be sought from NSW Treasury’s Accounting Policy & Complex Transactions Advisory team, if not covered by the published guidance.

**i. Link to Accounting Revenue Standards and NSW Treasury Guidance**

Document / Reference	Link
AASB 15 <i>Revenue from Contracts with Customers</i>	<a href="#">Link</a>
AASB 1058 <i>Income of Not-for-Profit Entities</i>	<a href="#">Link</a>
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	<a href="#">Link</a>
NSW Treasury’s Accounting Policies and Guidance papers	<a href="#">Link</a>

**ii. Contacts**

Relevant NSW Treasury Finance team contacts	Link
Crown Entity	<a href="mailto:Crown_Entity@treasury.nsw.gov.au">Crown_Entity@treasury.nsw.gov.au</a>
NSW Treasury’s Accounting Policy & Complex Transactions Advisory	<a href="mailto:accpol@treasury.nsw.gov.au">accpol@treasury.nsw.gov.au</a>

## Appendix G: Further Information and Contacts

### Agency Treasury Analysts – General Queries

Andrew Azar	9228 5164
Tatiana Carlisle	9228 4591
Mathew Do	9228 3322
Wendy Feng	9494 8048
Yixin Liu	9494 8305

### *Emerging Issues, Correction of Material Prior Period Errors*

Wendy Feng	9494 8048
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Elise Naylor (Director Total State Financial Reporting)	4908 4340
Sean Osborn (Director Accounting Policy and Advisory)	9228 5932

### *System Queries, e.g. Prime system access, Prime upload facility*

Prime Service Desk

### *Prime Functionality (including Training)*

David Tonkin	9228 4638
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### Treasury's Return Address

Unless stated otherwise, returns should be forwarded electronically to Treasury by the due date to: [tssa@treasury.nsw.gov.au](mailto:tssa@treasury.nsw.gov.au). Please note that this is a change in email address compared to the prior period.

Please include your Agency Prime number, Agency name and 'Early Close 2024-25' in the subject title when emailing Treasury.

For Prime submissions, please remember to "Promote" the Prime data back to Treasury upon completion – this needs to be at the Review Level 3 (CFO sign off).

## Resources/Links

### *Treasury Resources*

**NSW Treasurer's Directions, Treasury Policy Papers, Treasury Circulars, Treasury Policy and Guidelines, Treasury Analysis of Australian Accounting Standards, and other Treasury publications**  
<https://www.treasury.nsw.gov.au/documents-resources/documents-library>

### *External Resources*

#### **Government Sector Finance Act 2018**

<https://www.treasury.nsw.gov.au/budget-financial-management/reform/government-sector-finance-act-2018-0>

#### **Government Sector Employment Act 2013**

<https://www.legislation.nsw.gov.au/view/whole/html/inforce/current/act-2013-040>

## Crown related matters

### Advances

Charles Cheung	9228 4604
Jenny Lao	9494 8068

### Appropriations payments

Ramesh Nand	9228 3138
Howe Tran	6885 9393

### Banking (accounts, products & services)

Henriette Prego	9228 3873
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### Cash management and interest payments

Jin Kang	9228 4150
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### Commonwealth grants

Prathna Narayan	6626 5689
Heidie Barbey	9372 8908

### Crown accounting policy

Prathna Narayan	6626 5689
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### Crown guarantees

Prathna Narayan	6626 5689
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### Debt management

Charles Cheung	9228 4604
Jenny Lao	9494 8068

### Long service leave arrangements

Charles Cheung	9228 4604
Jenny Lao	9494 8068

### Crown special deposit accounts

Mitra Karmakar	9228 5839
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### Reimbursement of Crown expenses

Howe Tran	6885 9393
Ramesh Nand	9228 3138

### Other correspondence:

**Email:** [Crown\\_Entity@treasury.nsw.gov.au](mailto:Crown_Entity@treasury.nsw.gov.au)

## *Appendix H: Hard Close Agencies*

Audit Office of New South Wales

Department of Primary Industries and Regional Development

Infrastructure NSW

Judicial Commission of New South Wales

Law Enforcement Conduct Commission

Natural Resources Commission

New South Wales Rural Assistance Authority

NSW Food Authority

NSW Police Force

Ombudsman's Office

Regional Growth NSW Development Corporation

## Appendix I: Early Close Agencies

Aboriginal Housing Office  
Agricultural Scientific Collections Trust  
Alpha Distribution Ministerial Holding Corporation  
Art Gallery of New South Wales  
Australian Museum Trust  
Biodiversity Conservation Trust of NSW  
Centennial Park and Moore Park Trust  
Corrective Services NSW  
Crown Solicitor's Office  
Department of Climate Change, Energy, the Environment and Water  
Department of Communities and Justice  
Department of Customer Service  
Department of Education  
Department of Creative Industries, Tourism, Hospitality & Sport  
Department of Planning, Housing and Infrastructure (DPHI)  
Department of Transport  
Destination NSW  
Electricity Assets Ministerial Holding Corporation  
Electricity Retained Interest Corporation - Ausgrid  
Electricity Retained Interest Corporation - Endeavour Energy  
Electricity Transmission Ministerial Holding Corporation  
Energy Corporation of New South Wales  
Environment Protection Authority  
Environmental Trust  
Epsilon Distribution Ministerial Holding Corporation  
Essential Energy  
Fire and Rescue NSW  
Forestry Corporation of New South Wales  
Greater Cities Commission  
Greater Sydney Parklands Trust  
Health Care Complaints Commission  
Hunter and Central Coast Development Corporation  
Hunter Water Corporation  
Independent Commission Against Corruption  
Independent Liquor and Gaming Authority

Independent Planning Commission  
Independent Pricing and Regulatory Tribunal  
Information and Privacy Commission  
Insurance and Care NSW  
Landcom  
Lands Administration Ministerial Corporation  
Legal Aid Commission of New South Wales  
Liability Management Ministerial Corporation  
Library Council of NSW  
Lifetime Care and Support Authority of New South Wales  
Local Land Services  
Long Service Corporation  
Luna Park Reserve Trust  
Mental Health Commission of New South Wales  
Metropolitan Memorial Parks  
Ministry of Health  
Multicultural NSW  
Museums of History NSW  
Museum of Applied Arts and Sciences  
Natural Resources Access Regulator  
New South Wales Crime Commission  
New South Wales Electoral Commission  
New South Wales Government Telecommunications Authority  
New South Wales Land and Housing Corporation  
New South Wales Treasury Corporation  
Newcastle Port Corporation  
NSW Childcare and Economic Opportunity Fund Board  
NSW Education Standards Authority  
NSW Independent Casino Commission  
NSW Reconstruction Authority  
NSW Self Insurance Corporation  
NSW Trains  
NSW Trustee and Guardian  
Office of Sport  
Office of Independent Review Officer  
Office of the Children's Guardian  
Office of the Director of Public Prosecutions



NSW Rural Fire Service  
NSW State Emergency Service  
Office of Transport Safety Investigations  
Parliamentary Counsel's Office  
Place Management NSW  
Planning Ministerial Corporation  
Port Botany Lessor Ministerial Holding Corporation  
Port Kembla Lessor Ministerial Holding Corporation  
Port of Newcastle Lessor Ministerial Holding Corporation  
Premier's Department  
Property NSW  
Rental Bond Board  
Royal Botanic Gardens and Domain Trust  
Service NSW  
State Insurance Regulatory Authority  
State Sporting Venues Authority  
Sydney Ferries  
Sydney Metro  
Sydney Olympic Park Authority  
Sydney Opera House Trust  
Sydney Trains  
Sydney Water Corporation  
TAFE Commission  
Teacher Housing Authority of New South Wales  
The Cabinet Office  
The Treasury  
Transport Asset Manager of New South Wales  
Transport for NSW  
Venues NSW  
Waste Assets Management Corporation  
Water Administration Ministerial Corporation  
Water NSW  
Western Parkland City Authority  
Western Sydney Parklands Trust  
Workers' Compensation (Dust Diseases) Authority  
Zoological Parks Board of New South Wales

52 Martin Place  
Sydney NSW 2000

GPO Box 5469  
Sydney NSW 2001

W: [treasury.nsw.gov.au](https://treasury.nsw.gov.au)

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