



# **Financial Management and Accountability (Financial Statements 2001–2002) Orders**

**as amended**

made under subsection 63 (1) of the

*Financial Management and Accountability Act 1997*

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This compilation was prepared on 3 June 2002  
taking into account amendments up to *Financial Management and Accountability  
(Financial Statements 2001-2002) Amendment Orders*

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**1 Name of Orders** [see Note 1]

These Orders are the *Financial Management and Accountability (Financial Statements 2001–2002) Orders*.

*Note* Other matters relating to Agencies are dealt with in other Orders made by the Minister under subsection 63 (1) of the *Financial Management and Accountability Act 1997*.

**2 Commencement**

These Orders commence on gazettal.

**3 Financial statements for financial year 2001–2002**

For subsection 49 (2) of the *Financial Management and Accountability Act 1997*, Schedule 1 sets out the requirements for the preparation of annual financial statements for the financial year ending on 30 June 2002.

*Note* Schedule 1 is identical to Schedule 1 to the *Commonwealth Authorities and Companies (Financial Statements 2001–2002) Orders*. The purpose of having identical requirements is to achieve uniformity in financial reporting across the Commonwealth public sector which will assist in the preparation of annual financial statements in relation to the Commonwealth by the Finance Minister under section 55 of the *Financial Management and Accountability Act 1997*. Accordingly, certain terms, requirements and references contained in Schedule 1 to these Orders apply to Commonwealth Authorities and not to Agencies while other terms, requirements and references apply to Agencies and not to Commonwealth Authorities.

# **Schedule 1 Annual financial statements**

(section 3)



## **REQUIREMENTS AND GUIDANCE FOR THE PREPARATION OF FINANCIAL STATEMENTS OF COMMONWEALTH AGENCIES AND AUTHORITIES**

**Financial years ending on or after 30 June 2002**

**COMMONWEALTH OF AUSTRALIA**  
Department of Finance and Administration

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## I Introduction

This document is issued as a set of accounting and budgeting policies to be applied across the Commonwealth public sector. As such, it is intended that the same policies will apply to all reporting entities covered by section 49 of the *Financial Management and Accountability Act 1997* (FMA) and by clause 1, Schedule 1, to the *Commonwealth Authorities and Companies Act 1997* (CAC). The guidance set out in this document is to apply for the financial year 2001-02 and for subsequent financial years until it is amended.

The “black letter” (ie. text in **bold**) sets out the Finance Minister’s Orders under the respective FMA and CAC.

The “grey letter” (ie. text that is not in bold) comprises “explanatory notes and guidance” which does not form part of the formal Schedule but is intended to assist in its interpretation. The “grey letter” also provides, where necessary, additional guidance on the particular requirements of Budget preparation or monthly reporting. This guidance may be modified from time to time by the Department of Finance and Administration (Finance) as the need arises (for example, in response to requests by agencies or authorities for further clarification of particular policies).

This document aims to facilitate the integrated budgeting, management and reporting framework for the Commonwealth. This framework involves:

- preparing annual consolidated financial statements on an accrual basis for the whole of the Commonwealth Government (including statements for the General Government, Public Trading Enterprise and Public Finance Enterprise sectors), audited by the Auditor-General (commenced in 1996–97);
- presenting the Budget on a full accrual basis;
- consistent with the *Charter of Budget Honesty Act 1998*, extending the coverage of the Budget to include all agencies and authorities in the ‘general government sector’ (that is, those entities predominantly funded from taxation);
- funding general government sector entities on a basis that more closely reflects that of private sector businesses, in accordance with the price, quantity and quality of outputs produced by the entity (termed an ‘outputs–outcomes framework’);
- appropriating money on an accrual basis without unspent amounts automatically lapsing;
- presenting monthly financial information;
- accrual accounting systems of agencies and authorities, co-ordinated by a central accrual accounting system (AIMS), including a Cash and Appropriation Management Module (CAMM); and
- devolved financial exchange and banking arrangements for agencies.

The policies and guidance in the manual provide a consistent basis for preparing financial reports and budgets by all agencies and authorities. This assists:

- users in assessing and comparing financial performance of individual agencies and authorities;
- the Government in presenting the Budget on a full accrual basis; and
- the Finance Minister in preparing reliable consolidated financial statements.

An important aim of the framework is to provide comparability between ex post and ex ante (budgeted) financial reports. This document will assist in achieving that aim.

The framework for the requirements in this document incorporate:

- Australian Accounting Standards and other authoritative pronouncements of the Standard Setting Boards (including guidance releases);
- Urgent Issues Group consensus views;
- Australian Statements of Accounting Concepts;
- financial reporting policy; and
- guidance on financial reporting.

This document addresses the legislative requirements for financial reporting, and includes financial reporting policies and guidance.

The financial reporting policies are the mandatory principles, bases or rules adopted in preparing and presenting general-purpose financial reports, including budgets. The policies:

- cover issues not dealt with in Australian Accounting Standards or legislation;
- specify the preferred alternative(s) when the standards or legislation permit choice; and
- clarify any ambiguity in the standards or legislation.

The document mandates Australian Accounting Standards and is concerned with providing relevant and reliable information for users of financial reports and enabling the discharge of accountability by chief executives and directors.

The guidance to the financial reporting policies provide the rationale and concepts underlying the financial reporting policies and are intended to assist in their interpretation and consistent application.

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## II Preliminary

The policy and guidance included in this section relates to:

- 1 Commencement
- 2 Application
- 3 Certification
- 4 Exemptions
- 5 Comparatives
- 6 Rounding Off

### 1 Commencement

#### Policy

- 1.1 The requirements set out in these Orders shall apply for the financial year ending on or after 30 June 2002, unless amended.

### 2 Application

#### Policy

- 2.1 The financial statements of agencies and authorities must:
  - (a) include the primary statements, schedules and notes in the form prescribed in appendix A of this Schedule;
  - (b) include all note disclosures specified in the policies of this Schedule;
  - (c) comply with accounting standards and accounting interpretations issued by:
    - the Australian Accounting Standards Board (established under section 226 of the *Australian Securities and Investment Commission Act 1989*); and
    - the former Public Sector Accounting Standards Board, not yet reissued by the present Board;
  - (d) have regard to the Explanatory Notes to Commonwealth Accounting Policies as issued by the Department of Finance and Administration; and
  - (e) have regard to Finance Briefs issued by the Department of Finance and Administration.
- 2.2 The financial statements must be presented in the following order:
  - (a) primary statements;
  - (b) schedules of contingencies and commitments;
  - (c) notes to the financial statements
- 2.3 Requirements in this Schedule should only be included in the financial statements of the entity if they are relevant or applicable to a reporting period or comparative reporting period.

### **3 Certification**

#### **Policy**

- 3.1 There must be attached to the front of the financial statements:
- (a) a copy of the auditor's report on the statements;
  - (b) a statement by the chief executive or directors, as the case may be, as to whether, in their opinion, the financial statements give a true and fair view of the matters required by this Schedule; and
  - (c) If the Commonwealth agency or authority is a Public Trading Enterprise or a Statutory Marketing Authority the directors must state whether or not, in their opinion, there are, when the statement is made, reasonable grounds to believe that the agency or authority will be able to pay its debts as and when they fall due.

### **4 Exemptions**

#### **Policy**

- 4.1 In special circumstances the Minister for Finance and Administration may grant a written exemption to the Chief Executive or directors, as the case may be, from any specified requirements of this schedule.
- 4.2 An exemption may be granted subject to conditions, including alternative forms of disclosure.
- 4.3 The Chief Executive or directors must include particulars of any exemption under this clause in the summary of accounting policy given in the notes.

### **5 Comparatives**

#### **Policy**

- 5.1 Subject to Policy 5.2, paragraph 6 of Australian Accounting Standard 37 (AAS 37) applies to disclosures required by these Orders as if 'FMO' were substituted for 'Standard' in that paragraph.
- 5.2 Comparative figures are not required, in accordance with Policy 5.1, for Policies 10, 11 – Table A, 16, 18, 22 and 24.3.

### **6 Rounding Off**

#### **Policy**

- 6.1 Amounts in the financial statements may be rounded-off as follows:
- (a) where a reporting entity has assets, liabilities, expenses or revenues in excess of \$10 million — it may disclose in substitution for an amount required or permitted to be disclosed, that amount rounded off to the nearest \$1,000 or, where that amount is \$500 or less, to zero;
  - (b) where a reporting entity has assets, liabilities, expenses or revenues in excess of \$1 billion — it may disclose in substitution for an amount



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required or permitted to be disclosed, that amount rounded off to the nearest \$1 million or, where that amount is \$500,000 or less, to zero;

(c) provided that:

- rounding-off is applied consistently throughout the financial statements; and
- the level of rounding-off is clearly indicated where it is applied; but
- where an amount, as a result of the rounding off, is reduced to zero in the primary statements, that amount, must be shown to the nearest dollar by way of a note to the financial statements.

(d) Rounding-off is not permitted in notes relating to:

- act of grace payments and waivers;
- remuneration of auditors; and
- remuneration of executives/officers.

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### III Assets, Liabilities, Equity, Revenues and Expenses

The policies and guidance included in this section are:

- 7 Restructuring
- 8 Departmental Capital Appropriations
- 9 Departmental Price of Outputs Appropriations
- 10 Appropriations Disclosures
- 11 Reporting of Outcomes and Outputs
- 12 Receivables
- 13 Software
- 14 Land, Buildings, Infrastructure, Plant and Equipment
- 15 Recoverable Amount
- 16 Analysis of Property, Plant and Equipment, and Intangibles
- 17 Administered Investments in Controlled Entities
- 18 Analysis of Equity
- 19 Director/Manager Remuneration
- 20 Act of Grace Payments, Waivers and Defective Administration Scheme
- 21 Restricted Assets
- 22 Assets Held in Trust
- 23 Remuneration of Auditors
- 24 Sales of Assets by the Office of Asset Sales and Information Technology Outsourcing

#### 7 Restructuring

##### Policy

- 7.1 This policy applies in relation to the transfer of assets and/or the assumption of liabilities for no consideration (or for token consideration) as a result of a transfer of a function or functions:
- (a) between Commonwealth entities; or
  - (b) between departmental and administered classifications;
- consequent to:
- (c) a Cabinet decision; or
  - (d) an Administrative Arrangements Order (AAO) change; or
  - (e) an Act of Parliament or regulation under an Act; or
  - (f) a written agreement between the Finance Minister and relevant portfolio Minister.
- 7.2 The net book values (less any token consideration) of assets and liabilities transferred in accordance with clause 7.1 must be treated as contributions by, or distributions to, owners and recognised as direct adjustments to equity for the transferor and transferee entities, in accordance with UIG 38.
- 7.3 Paragraphs 10.6 – 10.12 of AAS 29 apply to authorities subject to the *Commonwealth Authorities and Companies Act 1997*, as if ‘agency’ were substituted for ‘department’.

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- 7.4 A transfer between two administered entities does not result in any revenues, expenses, assets, liabilities or contributions by owners because administered entities are branches of the same entity (the Government). A transfer of an administered asset or liability should therefore be adjusted to equity (retained surpluses or accumulated deficits) at existing book value.

## **8 Departmental Capital Appropriations**

### **Policy**

- 8.1 Where the amount of a departmental equity injection appropriation is not dependant on specified future events (eg. for initial working capital) it must be recognised as a direct increase in 'Contributed equity', when the appropriation becomes effective (generally 1 July).
- 8.2 Where the amount of a departmental equity injection appropriation is dependant upon specified future events that require future performance (eg. construction of capital works) it must be recognised as a direct increase in 'Contributed equity', as the appropriation is drawn down.
- 8.3 Departmental loan appropriations must be recognised as increases in borrowings, as the appropriation is drawn down.

## **9 Departmental Price of Outputs Appropriations**

### **Policy**

- 9.1 There is a rebuttable presumption that the full amount of the appropriation for outputs should be recognised as revenue in the year of appropriation. In the instance that any variation between appropriation and revenue 'earned' for the respective period arises, providing that the variation is measurable, either accrued or unearned revenue should be recognised.

## 10 Appropriations Disclosures

### Policy

10.1 Agencies and authorities must disclose the following tables in the notes to the financial statements:

#### Appropriation Bills 1/3

Particulars	Administered Expenses		Departmental Outputs	Total
	<i>Outcome 1</i>	<i>Outcome ... 'n'</i>		
Balance carried from previous period				
Appropriation for reporting period (Bill 1)				
Appropriation for reporting period (Bill 3)				
Adjustments determined by the Finance Minister				
Amounts from Advance to the Finance Minister				
Refunds credited (FMA s 30)				
GST credits (FMA s 30A)				
Annotations to 'net appropriations' (FMA s 31)				
Other annotations				
Transfers to/from other agencies (FMA s 32)				
Administered expenses lapsed under determination				
Available for payments				
Payments made				
Balance carried to next period				

#### Appropriation Bills 2/4

Particulars	Administered				Equity injections and loans				Total
	<i>Outcome 1</i>		<i>Outcome ... 'n'</i>						
	<i>SPPs*</i>	<i>Other</i>	<i>SPPs*</i>	<i>Other</i>	<i>Equity</i>	<i>Loans</i>	<i>Carry-overs</i>	<i>Admin capital</i>	
Balance carried from previous period									
Current appropriation (Bill 2)									
Current appropriation (Bill 4)									
Adjustments determined by the Finance Minister									
Amounts from Advance to the Finance Minister									
Refunds credited (FMA s 30)									
GST credits (FMA s 30A)									
Annotations to 'net appropriations' (FMA s 31)									
Other annotations									
Transfers to/from other agencies (FMA s 32)									

Particulars	Administered				Equity injections and loans				Total
	Outcome 1		Outcome ... 'n'		Equity	Loans	Carry-overs	Admin capital	
	SPPs*	Other	SPPs*	Other					
Administered expenses lapsed under determination									
Available for payments									
Payments made									
Balance carried to next period									

\* Special Purpose Payments (refer to Budget Paper 4)

### Special Appropriations (Unlimited Amount)

Particulars of legislation providing appropriation (including purpose)	Administered		Departmental	Total
	Outcome 1	Outcome ... 'n'		
<i>Budget estimate</i>				
Payments made				
Refunds credited (section 30)				

### Special Appropriations (Limited Amount)

Particulars	Administered		Departmental		Total
	Account 1	Account ... 'n'	Outputs	Capital	
Balance carried from previous period					
Appropriation for reporting period					
GST credits (FMA s 30A)					
Other annotations					
Available for payments					
Payments made					
Balance carried to next period					

\*Prepare a separate table for each special appropriation

### Special Accounts

Particulars	Administered		Departmental		Total
	Account 1	Account ... 'n'	Outputs	Capital	
Balance carried from previous period					
Appropriation for reporting period					
Receipts from other sources					
Refunds credited (FMA s 30)					
GST credits (FMA s 30A)					
Available for payments					
Payments made					
Balance carried to next period					

## 11 Reporting of Outcomes and Outputs

### Policy

11.1 Agencies and authorities in the General Government Sector must disclose, in the notes, the following tables relating to outcomes (as specified in the Appropriation Acts relevant to the entity) and outputs:

**Table A: Total Cost/Contribution of Outcomes (Whole of Government)**

	Outcome 1		Outcome...n		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Net taxation, fees and fines revenues						
Other administered revenues						
Net subsidies, benefits and grants expenses						
Other administered revenues/expenses						
Net cost of departmental outputs						
Cost/Contribution of outcome before extraordinary items						
Extraordinary items Administered Departmental						
Net cost/contribution to Budget outcome						

**Table B: Major Departmental Revenues and Expenses by Output (Output Group)\***

	Output (Output Group) 1		Output (Output Group) ... 'n'	
	2001-02	2000-01	2001-02	2000-01
<b>Operating Revenues</b>				
Show each major class				
<b>Operating expenses</b>				
Show each major class				

\*Choose the appropriate level of reporting ('Outputs' or 'Output Groups').

**Table C: Major Classes of Departmental Assets and Liabilities by Output (or Output Group)**

	Output (Output Group) 1		Output (Output Group) ... 'n'	
	2001-02	2000-01	2001-02	2000-01
<b>Output specific departmental assets</b>				
Show each major class				
<b>Other departmental assets</b>				
Show each major class				
<b>Output specific departmental liabilities</b>				
Show each major class				
<b>Other departmental liabilities</b>				
Show each major class				

**Table D: Major Classes of Administered Revenues and Expenses by Outcome**

	Outcome 1		Outcome ... 'n'	
	2001-02	2000-01	2001-02	2000-01
<b>Revenues</b>				
Show each major class				
<b>Expenses</b>				
Show each major class				

**Table E: Major Classes of Administered Assets and Liabilities by Outcome**

	Outcome 1		Outcome ... 'n'	
	2001-02	2000-01	2001-02	2000-01
<b>Outcome specific administered assets</b>				
Show each major class				
<b>Other administered assets</b>				
Show each major class				
<b>Outcome specific administered liabilities</b>				
Show each major class				
<b>Other administered liabilities</b>				
Show each major class				

## 12 Receivables

### Policy

- 12.1 At the end of the reporting period there must be shown, in a note, an age analysis of receivables showing receivables that are:
- (a) current;
  - (b) overdue less than 30 days;
  - (c) overdue 30 to 60 days;
  - (d) overdue 60 to 90 days; and
  - (e) overdue more than 90 days.

## 13 Software

### Policy

- 13.1 Internally developed and externally acquired computer software for internal use must initially be recognised and, where applicable, capitalised at the cost of development or acquisition.
- 13.2 After initial recognition internally developed software should be carried at its cost less any accumulated amortisation and any accumulated impairment losses. The capitalised costs (or revalued amounts) of development or acquisition must be amortised over the useful life of the software.

## 14 Land, buildings, infrastructure, plant and equipment

### Policy

- 14.1 Subject to clause 14.3, agencies and authorities must continue to progressively revalue land, buildings, infrastructure, plant and equipment using the deprival basis of valuation for the financial year ending 30 June 2002 (AASB 1041 Revaluation of Non-Current Assets paragraph 8.10 (b)).
- 14.2 For financial periods beginning on or after 1 July 2002, the fair value basis must be applied to revaluations of the following asset classes in accordance with Australian Accounting Standard AASB 1041:
- (a) Land;
  - (b) Buildings;
  - (c) Subject to clause 14.3, infrastructure, plant and equipment; and
  - (d) Heritage and cultural assets.
- 14.3 For financial periods beginning on or after 1 July 2001, the cost basis must be applied to specialist military equipment assets.



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## 15 Recoverable Amount

### Policy

- 15.1 All agencies and authorities must apply the recoverable amount test, in accordance with Australian Accounting Standard 10 (AAS 10) *Recoverable Amount of Non-Current Assets*, to their departmental non-current assets.
- 15.2 The recoverable amount test does not apply to administered non-current assets which agencies or authorities oversight or manage on behalf of the Government.

## 16 Analysis of Property, Plant and Equipment, and Intangibles

### Policy

- 16.1 The notes to the financial statements must include the table beginning on the next page, reconciling the opening and closing balances of property, plant and equipment and intangibles.

**Table: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles.**

Item	Land (\$'000)	Buildings (\$'000)	Total land and buildings (\$'000)	Specialist military equipment (\$'000)	Other infra- structure, plant and equipment (\$'000)	Total infra- structure, plant and equipment (\$'000)	Computer software (\$'000)	Other intangibles (\$'000)	Total intangibles (\$'000)	Total (\$'000)
<b>Gross value</b>										
As at 1 July										
<b>Additions:</b>										
Purchase of assets										
Acquisition by finance lease										
Revaluations: write-ups/(write-downs)										
Assets transferred in/(out)										
Reclassifications										
Write-offs										
Change in accounting policy										
Other movements (give details below)										
Disposals										
As at 30 June										
<b>Accumulated Depreciation/Amortisation</b>										
As at 1 July										
Disposals										
Depreciation/Amortisation charge for the year										
Revaluations: write-ups/(write-downs)										
Assets transferred in/(out)										
Reclassifications										
Write-offs										
Change in accounting policy										
Other (give details below)										
As at 30 June										
<b>Net book value as at 30 June</b>										
<b>Net book value as at 1 July</b>										

16.2 The following separate tables must be included for assets held at valuation and for assets held under finance leases.

**Table: Assets at Valuation.**

Item	Land (\$'000)	Buildings (\$'000)	Total land and buildings (\$'000)	Specialist military equipment (\$'000)	Other infra- structure, plant and equipment (\$'000)	Total infra- structure, plant and equipment (\$'000)	Computer software (\$'000)	Other intangibles (\$'000)	Total intangibles (\$'000)	Total (\$'000)
<b>As at 30 June (current year)</b>										
Gross value										
Accumulated depreciation/amortisation										
<b>Net book value</b>										
<b>As at 30 June (previous year)</b>										
Gross value										
Accumulated depreciation/amortisation										
<b>Net book value</b>										

**Table: Assets Held under Finance Lease.**

Item	Land (\$'000)	Buildings (\$'000)	Total land and buildings (\$'000)	Specialist military equipment (\$'000)	Other infra- structure, plant and equipment (\$'000)	Total infra- structure, plant and equipment (\$'000)	Computer software (\$'000)	Other intangibles (\$'000)	Total intangibles (\$'000)	Total (\$'000)
<b>As at 30 June (current year)</b>										
Gross value										
Accumulated depreciation/amortisation										
<b>Net book value</b>										
<b>As at 30 June (previous year)</b>										
Gross value										
Accumulated depreciation/amortisation										
<b>Net book value</b>										

16.3 The following table must be included to allow compliance with the requirements of AAS 34 *Borrowing costs*

**Table: Assets under Construction.**

Item		Buildings	Total land and buildings		Specialist military equipment	Other infrastructure, plant and equipment	Total infrastructure, plant and equipment		Computer software	Other intangibles	Total intangibles		Total
		(\$'000)	(\$'000)		(\$'000)	(\$'000)	(\$'000)		(\$'000)	(\$'000)	(\$'000)		(\$'000)
<b>As at 30 June (current year)</b>													
Gross value													
Accumulated depreciation/amortisation													
<b>Net book value</b>													
<b>As at 30 June (previous year)</b>													
Gross value													
Accumulated depreciation/amortisation													
<b>Net book value</b>													

16.4 Where practicable, assets revalued at their current replacement cost should be shown at their gross value as permitted by paragraph 7.2 of AAS 38.

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## 17 Administered Investments in Controlled Entities

### Policy

- 17.1 The disclosure of administered assets and liabilities of a Department of State must show the total amount of the Commonwealth's investment in each separate legal entity for which the Portfolio Minister is responsible.
- 17.2 Changes in the Commonwealth's ownership interest must be reflected in the carrying amount of such investments;
- (a) Contributions by, or distributions to, owners; and
  - (b) Where the Finance Minister issues a direction to revalue the investment.
- 17.3 Unless clause 17.2 applies and/or where otherwise required by another accounting policy or accounting standard the amount initially recorded:
- (a) in accordance with Australian Accounting Standard 21 (AAS 21); or
  - (b) in relation to any investments held at 30 June 1997 that were revalued before that date, the amount shown as the carrying amount at 30 June 1997.
- must remained fixed as the carrying amount of the investment.

## 18 Analysis of Equity

### Policy

18.1 The notes for Agencies and Authorities in the General Government Sector must include the following table reconciling the opening and closing balances of equity.

#### Analysis of Equity

	A	B	C	D	E = B + C + D	F	G = A + E + F
Item	Accumulated results (\$'000)	Asset revaluation reserve (\$'000)	Foreign currency translation reserve (\$'000)	Other reserves (\$'000)	Total reserves (\$'000)	Total Contributed equity/capital (\$'000)	Total Equity (\$'000)
Opening balance as at 1 July							
Operating results and extraordinary items after tax							
Dividends provided for or paid							
Net revaluation increment/(decrement)							
Transfers to/(from)/between reserves							
Changes in accounting policies							
Currency translation gain/(loss)							
Capital Use Charge (CUC) payments							
Contribution/Distribution of equity							
Injection for capital works							
Other (give details below)							
<b>Closing balance as at 30 June</b>							
Less: Outside Equity Interests							
<b>Total equity attributable to the Commonwealth</b>							

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## 19 Director/Manager Remuneration

### Policy

- 19.1 The disclosures required by this policy are material by nature.
- 19.2 The following information must be disclosed in the notes to the financial statements in regard to the remuneration of directors of an authority:
- (a) the number of directors of the Commonwealth authority whose total remuneration for the financial year derived from the authority, whether as a director or otherwise, falls within each band of \$10,000;
  - (b) the total of the remuneration referred to in paragraph (a) of all directors referred to in that paragraph.
- 19.3 The consolidated financial statements must include in a note the total of the remuneration of all directors of each entity in the economic entity, comprising the Commonwealth authority and its subsidiaries, for the financial year.
- 19.4 The following information must be disclosed in the notes to the financial statements in regard to the remuneration of *managers*:
- (a) the aggregate remuneration of all *managers* of the entity whose remuneration for the financial year is \$100,000 or more;
  - (b) the number of *managers* of the entity whose total remuneration for the financial year falls within each successive \$10,000 band, commencing at \$100,000;
- being remuneration received or due and receivable, directly or indirectly, from the entity or any related party in connection with the management of the affairs of the agency or authority or any of its subsidiaries, whether as a manager otherwise.
- 19.5 The following information must be disclosed in the notes to the financial statements of an economic entity where an agency or authority is the parent entity in the economic entity:
- (a) the aggregate remuneration of all *managers* of the economic entity whose remuneration for the financial year is \$100,000 or more;
  - (b) the number of *managers* of the economic entity whose total remuneration for the financial year falls within each successive \$10,000 band, commencing at \$100,000;
- being remuneration received or due and receivable, directly or indirectly, from the entities in the economic entity or a related party in connection with the management of the affairs of the entities in the economic entity, whether as a manager or otherwise.
- 19.6 In addition to all other requirements of this policy, the aggregate amount of separation and redundancy payments for managers should be disclosed separately.

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## 20 Act of Grace Payments, Waivers and Defective Administration Scheme

### Policy

- 20.1 The disclosures required by this policy are material by nature.
- 20.2 The financial statements must include a note showing:
- (a) the number and aggregate amount of any act of grace payments made during the reporting period pursuant to subsection 33 (1) of the *Financial Management and Accountability Act 1997*;
  - (b) the number of waivers, and the aggregate amount owing to the Commonwealth, the recovery of which was waived during the reporting period (being amounts that the entity would, but for the waiver, have been entitled to receive on behalf of the Commonwealth);
    - pursuant to subsection 34 (1) of the *Financial Management and Accountability Act 1997*; and
    - pursuant to other legislation, which should be specified; and
  - (c) the number and aggregate amount of payments during the reporting period under the Scheme for Compensation for Detriment caused by Defective Administration (CDDA).

## 21 Restricted Assets

### Policy

- 21.1 Paragraph 12.3 of Australian Accounting Standard AAS 29, Financial Reporting by Government Departments, applies to these Orders as if 'Commonwealth authorities' were substituted for 'government department' in that paragraph.

## 22 Assets Held in Trust

### Policy

- 22.1 The financial statements of agencies and authorities must include a note giving particulars of assets held in trust.
- 22.2 In relation to assets, the particulars required by clause 22.1 must be provided as a summary of the categories of assets held at the end of the reporting period and the purpose for which they are being held.
- 22.3 In relation to cash, the particulars required by clause 22.1 must include, for each significant category of trust, the:
- (a) total amount held at the beginning of the reporting period;
  - (b) total receipts during the reporting period;
  - (c) total payments during the reporting period; and
  - (d) total amount held at the end of the reporting period.



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## 23 Remuneration of Auditors

### Policy

- 23.1 The disclosures required by this policy are material by nature.
- 23.2 The financial statements of an agency or authority must include a note giving particulars of the remuneration of auditors for:
- (a) auditing the financial statements for that reporting period; and
  - (b) any other services provided during that reporting period.
- 23.3 The fair value of any of the services provided free of charge by the Auditor-General must also be shown.
- 23.4 For the purpose of this Policy, performance audits are not taken to be services provided to an agency or authority.
- 23.5 Authorities must disclose the extent to which auditors' remuneration is paid to an auditor other than the Auditor-General.

## 24 Sale of Assets by the Office of Asset Sales and Information Technology Outsourcing

### Policy

- 24.1 At the time of sale, the asset must be written out of the relevant Agency's records by crediting the asset with any related depreciation, then writing-off the balance (carrying amount);
- (a) For administered assets, against equity (accumulated results);
  - (b) For departmental assets, recognised as an expense.
- 24.2 OASITO must;
- (a) Recognise the transfer of the asset to it as an administered asset pending sale and crediting equity (accumulated results);
  - (b) Transfer the direct costs of sale from its departmental records to its administered records by debiting proceeds of sale of asset and crediting services received free of charge (thereby providing the 'net proceeds of sale of asset' figure);
  - (c) Credit the 'net proceeds of sale of asset' to the administered asset; and
  - (d) Transfer the balance (gain or loss on disposal) to the administered revenue item 'Asset sales program (OASITO)'
- 24.3 In relation to each major asset sale, the following particulars must be shown in the administered notes of OASITO;
- (a) Gross proceeds from sale;
  - (b) Written down value of assets sold (its carrying amount before sale);
  - (c) Direct selling costs (including point of sale costs); and
  - (d) The net gain or loss from sale (see clause 5.6 of AAS 1).

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## IV Contingencies and Commitments

From time to time Commonwealth entities enter into agreements and other arrangements that do not lead to the reporting of assets, liabilities, revenues or expenses but may result in the sacrifice of future economic benefits. This information is important to users of financial statements in assessing an entity's financial position, having regard to such future risks and events. As a result of entering into these agreements and arrangements, the policies that follow require an entity to disclose potential assets, liabilities, revenues or expenses that are dependent on an event or events occurring in the future prior to recognition.

The policies and guidance included in this section are:

- 25 Contingencies
- 26 Commitments

### 25 Contingencies

#### Policy

- 25.1 Contingencies are conditions that exist at the reporting date that may give rise to an asset (or revenue/gain) or a liability (or loss/expense) on the occurrence or non-occurrence of one or more uncertain future events that are outside the control of the agency or authority.
- 25.2 Contingencies must be disclosed in the Schedule of Contingencies, in accordance with Appendix A, unless the possibility of loss or gain is remote.
- 25.3 The Schedule of Contingencies must disclose sufficient information to:
  - (a) enable assessments of both the nature of, and the uncertainties which affect, the contingencies; and
  - (b) show separately the contingencies (or groups of contingencies) according to different levels of uncertainty of possible gain or loss.
- 25.4 Particulars of material contingencies excluded from the Schedule of Contingencies because they are remote must be disclosed in a note to the financial statements.

### 26 Commitments

#### Policy

- 26.1 Commitments are;
  - (a) intentions to create liabilities, as evidenced by undertakings, to make future payments to other entities; and
  - (b) unrecognised liabilities that are Agreements Equally Proportionately Unperformed (AEPUs).
- 26.2 The nature and 'where quantifiable' the amount of each category of commitments must be disclosed in a schedule of commitments in accordance with Appendix A.

## **Appendix A**

### **FORMS OF FINANCIAL STATEMENTS SCHEDULES AND NOTES**

**SECTION 1: COMMERCIAL REPORTING ENTITIES**

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## STATEMENT OF FINANCIAL PERFORMANCE

for the period ended \_\_\_\_\_

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	Consolidated	Parent
<b>Revenues from ordinary activities</b>		
Sales of goods and services		
Government		
Non-government		
Interest (note x)		
Dividends (note x)		
Net gains from sales of assets (note x)		
Reversals of previous asset write-downs		
Net foreign exchange gains (note x)		
Correction of fundamental error		
Other (note x)		
 <i>Total revenues from ordinary activities</i>		
 <b>Operating expenses from ordinary activities (excluding borrowing costs expense)</b>		
Employees (note x)		
Suppliers (note x)		
Depreciation and amortisation (note x)		
Write-down of assets (note x)		
Net losses from sales of assets (note x)		
Net foreign exchange losses (note x)		
Correction of fundamental error		
Other (note x)		
 <i>Total operating expenses from ordinary activities (excluding borrowing costs expense)</i>		
Borrowing costs expense (note x)		
Share of net profits/losses of associates and joint ventures accounted for using the equity method		
Correction of fundamental error		
 <b>Profit or loss from ordinary activities before income tax</b>		
Income tax expense/revenue relating to ordinary activities		
Correction of fundamental error		
 <b>Profit or loss from ordinary activities after income tax</b>		
Profit or loss on extraordinary items after income tax expense/revenue (note x)		
Correction of fundamental error		
 <b>Net profit or loss</b>		
Outside equity interests in net profit or loss		

**Net profit or loss attributable to the Commonwealth**

Net credit (debit) to asset revaluation reserve

Net exchange difference recognised as a direct debit (credit) to equity

Adjustments arising from Standards recognised as direct debit (credit) to equity

Initial adjustments from transitional UIG Consensus View recognised as a direct debit (credit) to equity

Other direct debits (credits) to equity

**Total changes in equity other than those resulting from transactions with owners as owners**

---

## STATEMENT OF FINANCIAL POSITION

as at \_\_\_\_\_

---

	Consolidated	Parent
<b>Current assets</b>		
Cash		
Receivables (see note x)		
Investments (note x)		
Inventories (note x)		
Land and buildings		
Infrastructure, plant and equipment (note x)		
Intangibles		
Tax assets		
Other (note x)		
<b>Total current assets</b>		
<b>Non-current assets</b>		
Receivables (note x)		
Investments (note x)		
Inventories (note x)		
Land and buildings (note x)		
Infrastructure, plant and equipment (note x)		
Tax assets		
Intangibles (note x)		
Other (note x)		
<b>Total non-current assets</b>		
<b>Total assets</b>		
<b>Current liabilities</b>		
Interest bearing liabilities (note x)		
Provisions (note x)		
Payables (note x)		
Tax liabilities (note x)		
<b>Total current liabilities</b>		
<b>Non-current liabilities</b>		
Interest bearing liabilities (note x)		
Provisions		
Payables (note x)		
Tax liabilities		
<b>Total non-current liabilities</b>		
<b>Total liabilities</b>		
<b>Equity *</b>		
<b>Parent entity interest</b>		
Contributed Equity		
Reserves		
Statutory funds		
Retained profits or losses		

**Outside equity interest**

Contributed Equity  
Reserves  
Retained profits or losses

***Total equity***

\* Note: 'Equity' is the residual interest in assets after deduction of liabilities



---

## STATEMENT OF CASH FLOWS

for the period ended \_\_\_\_\_

---

### OPERATING ACTIVITIES

### CONSOLIDATED

### PARENT

#### Cash received

Sales of goods and services  
     Government  
     Non-Government  
 Appropriations (other than goods and services)  
 Interest  
 Dividends  
 Other

#### *Total cash received*

#### Cash used

Employees  
 Suppliers  
 Borrowing Costs  
 Income tax  
 Other

#### *Total cash used*

#### Net cash from operating activities

### INVESTING ACTIVITIES

#### Cash received

Proceeds from sales of property, plant and equipment  
 Proceeds from sales of financial instruments  
 Bills of exchange and promissory notes  
 Repayments of loans made  
 Other

#### *Total cash received*

#### Cash used

Purchase of property, plant and equipment  
 Purchase of financial instruments  
 Bills of exchange and promissory notes  
 Loans made  
 Other

#### *Total cash used*

#### Net cash from investing activities

### Financing Activities

#### Cash received

Appropriations—Contributed equity

Proceeds from issuing financial instruments  
Proceeds from loans  
Other

***Total cash received***

**Cash used**

Repayments of debt  
Dividends paid  
Other

***Total cash used***

**Net cash from financing activities**

***Net increase in cash held***

Cash at the beginning of the reporting period  
Effect of exchange rate movements on cash at the beginning of the reporting period

***Cash at the end of the reporting period***

---

## SCHEDULE OF COMMITMENTS

as at \_\_\_\_\_

---

	Consolidated	Parent
<b>By type</b>		
<b>Capital commitments</b>		
Land and buildings		
Infrastructure, plant and equipment		
Investments		
Other capital commitments		
<b><i>Total capital commitments</i></b>		
<b>Other commitments</b>		
Operating leases		
Project commitments		
Research and development		
Other commitments		
<b><i>Total other commitments</i></b>		
<b>Commitments receivable</b>		
<b>Net commitments</b>		
<b>By maturity</b>		
One year or less		
From one to five years		
Over five years		
<b>Net commitments</b>		

---

## SCHEDULE OF CONTINGENCIES

as at \_\_\_\_\_

---

	Consolidated	Parent
<b>Contingent losses</b>		
Guarantees to controlled entities		
Other guarantees		
Indemnities		
Uncalled shares/capital subscriptions		
Claims for damages/costs		
Other [for each type]		
<b>Total contingent losses</b>		
<b>Contingent gains</b>		
[Specify each class]		
<b>Net contingencies</b>		

### Schedule of unquantifiable contingent losses/gains

[Summarise material contingencies or classes of contingencies]

Note: 'contingencies' are conditions, situations, or circumstances that:

- a. exist at the end of the reporting period;
- b. create uncertainty as to possible gain or loss to an entity; and
- c. will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

---

## CLASSES OF ITEMS INCLUDED IN THE PRIMARY STATEMENTS FOR COMMERCIAL REPORTING ENTITIES

- (a) There must be shown, in a note, the amounts and particulars of the classes of revenues, expenses, assets and liabilities specified in this section where they have been included under an item in the statement of financial performance/profit and loss statement or in the statement of financial position/balance sheet.
- (b) Any material classes of revenues, expenses, assets and liabilities not specified in this section must be disclosed in the notes separately under the heading to which they relate.
- (c) Any immaterial classes of revenues and expenses not specified in this section may be included in a class described as 'other' under the heading to which they relate.

### Revenues

#### Interest

- Loans
- Leases
- Deposits
- Overdrafts

#### Dividends

- Subsidiary companies
- Associated companies
- Other companies

#### Net gains from sales of assets

- Receivables
- Investments
- Land and buildings
- Infrastructure, plant and equipment
- Intangibles
- Other

#### Net foreign exchange gains

- Speculative
- Non-speculative

#### Other

- Gains from derivative financial instruments
- Resources received free of charge

### Expenses

#### Employees

- Remuneration (for services provided)
- Separation and redundancy payments
- Note: Separation and redundancy payments must exclude any benefits that would have been accrued and payable if redundancy had not occurred (e.g. accrued leave entitlements and lump sum superannuation payments).

#### Suppliers

- Supply of goods and services
- Operating lease rentals
- Note: Where supplier's expenses relate to the provision of employee benefits included in a remuneration package, they should be included in employee expenses.

**Write-down of assets**

- Impairment of non-current assets
- Bad and doubtful debts expense

**Net losses from sales of assets**

- Receivables
- Investments
- Land and buildings
- Infrastructure, plant and equipment
- Intangibles

**Net foreign exchange losses**

- Speculative
- Non-speculative

**Borrowing costs expense**

- Loans
- Leases
- Overdrafts
- Other

**Other**

- Losses from derivative financial instruments
- Guarantees, undertakings and indemnities met

**Extraordinary items**

- Each extraordinary item

**Assets**

**Receivables**

- Goods and services
- Appropriations
- Loans
- Bills of exchange and promissory notes
- Interest and dividends

**Investments**

- Gold
- Government securities
- Shares
  - Subsidiary companies
  - Associated companies (equity method)
  - Other companies
- Debentures

**Land and buildings**

- Land
- Buildings (not integral to infrastructure)

**Inventories**

- Inventories held for sale
- Inventories not held for sale

**Intangibles**

- Patents, trade marks, brand names, licences
- Computer software
  - Purchased (include any modification cost)
  - Internally developed
- Research and development expenditure capitalised
- Goodwill
- Other

**Other**

- Prepayments paid

---

**Liabilities****Interest bearing liabilities**

## Loans

- Bank loans
- Non-bank loans
- Debentures and unsecured notes
- Bonds
- Bills of exchange and promissory notes

Maturity schedule must be included for total loans showing amounts payable within:

- One year or less
- From one to five years
- More than five years

## Leases

- One year or less
- From one to five years
- More than five years

## Deposits

## Overdrafts

## Other

**Provisions**

## Employees

- Salaries and wages
- Leave
- Superannuation
- Workers' compensation
- Separations and redundancies
- Other

**Payables**

## Suppliers

- Trade creditors
- Operating lease rentals

## Dividends

## Borrowing costs

## Other

- Prepayments received

**Tax liabilities**

- Current income tax
- Deferred income tax

## **SECTION 2: NON-COMMERCIAL REPORTING ENTITIES**



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## STATEMENT OF FINANCIAL PERFORMANCE

for the period ended \_\_\_\_\_

---

	Consolidated	Parent
<b>Revenues from ordinary activities</b>		
Revenues from government (note x)		
Sales of goods and services		
Interest (note x)		
Dividends (note x)		
Net gains from sales of assets (note x)		
Reversals of previous asset write-downs		
Net foreign exchange gains (note x)		
Correction of a fundamental error		
Other (note x)		
<b>Total revenues from ordinary activities</b>		
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>		
Employees (note x)		
Suppliers (note x)		
Grants (note x)		
Depreciation and amortisation (note x)		
Write-down of assets (note x)		
Net losses from sales of assets (note x)		
Net foreign exchange losses (note x)		
Correction of fundamental error		
Other (note x)		
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>		
Borrowing costs expense		
Share of net profits/losses of associates and joint ventures accounted for using the equity method		
Correction of fundamental error		
<b>Net operating surplus or deficit from ordinary activities</b>		
Gain or loss on extraordinary items (note x)		
Correction of fundamental error		
<b>Net surplus or deficit</b>		
Outside equity interests in net surplus or deficit		
<b>Net surplus or deficit attributable to the Commonwealth</b>		
Net credit (debit) to asset revaluation reserve		
Net exchange difference recognised as a direct debit (credit) to equity		
Adjustments arising from Standards recognised as direct debit (credit) to equity		
Initial adjustments from transitional UIG Consensus View recognised as a direct debit (credit) to equity		
Other direct debits (credits) to equity		
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		

---

## STATEMENT OF FINANCIAL POSITION

as at \_\_\_\_\_

---

	Consolidated	Parent
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash		
Receivables (note x)		
Investments (note x)		
Accrued revenues (note x)		
Other (note x)		
<i><b>Total financial assets</b></i>		
<b>Non-financial assets</b>		
Land and buildings (note x)		
Infrastructure, plant and equipment (note x)		
Inventories (note x)		
Intangibles (note x)		
Other (note x)		
<i><b>Total non-financial assets</b></i>		
<b>Total assets</b>		
 <b>LIABILITIES</b>		
<b>Interest bearing liabilities</b>		
Loans (note x)		
Leases		
Deposits		
Overdrafts		
Other		
<i><b>Total interest bearing liabilities</b></i>		
<b>Provisions</b>		
Capital use charge		
Employees (note x)		
<b>Payables</b>		
Suppliers (note x)		
Grants (note x)		
Other (note x)		
<i><b>Total provisions and payables</b></i>		
<b>Total liabilities</b>		
 <b>EQUITY*</b>		
<b>Parent entity interest</b>		
Contributed equity		
Reserves		
Statutory funds		
Retained surpluses or accumulated deficits		

---

***Total parent entity interest***

**Outside equity interest**

Contributed equity

Reserves

Retained surpluses or accumulated deficits

***Total outside equity interest***

**Total equity**

\*Note: 'equity' is the residual interest in assets after deduction of liabilities.

---

## STATEMENT OF CASH FLOWS

for the period ended \_\_\_\_\_

**Consolidated**                      **Parent**

### OPERATING ACTIVITIES

#### Cash received

Sales of goods and services  
     Government  
     Non-government  
 Appropriations (other than goods and services)  
 Interest  
 Dividends  
 Other

***Total cash received***

#### Cash used

Employees  
 Suppliers  
 Grants (note x)  
 Borrowing cost

Other

***Total cash used***

#### Net cash from operating activities

### INVESTING ACTIVITIES

#### Cash received

Proceeds from sales of property, plant and equipment  
 Proceeds from sales of financial instruments  
 Bills of exchange and promissory notes  
 Repayments of loans made  
 Other

***Total cash received***

#### Cash used

Purchase of property, plant and equipment  
 Purchase of financial instruments  
 Bills of exchange and promissory notes  
 Loans made  
 Other

***Total cash used***

#### Net cash from investing activities

### FINANCING ACTIVITIES

#### Cash received

Appropriations - Contributed equity  
 Proceeds from issuing financial instruments  
 Proceeds from loans  
 Other

---

***Total cash received*****Cash used**

Repayments of debt  
Capital use charge paid  
Dividends paid  
Other

***Total cash used*****Net cash from financing activities*****Net increase in cash held***

Cash at the beginning of the reporting period  
Effect of exchange rate movements on cash at the beginning of the reporting period

***Cash at the end of the reporting period***

## SCHEDULE OF COMMITMENTS

as at \_\_\_\_\_

---

	Consolidated	Parent
<b>By type</b>		
<b>Capital commitments</b>		
Land and buildings		
Infrastructure, plant and equipment		
Investments		
Other capital commitments		
<b><i>Total capital commitments</i></b>		
<b>Other commitments</b>		
Operating leases		
Project commitments		
Research and development		
Other commitments		
<b><i>Total other commitments</i></b>		
<b>Commitments receivable</b>		
<b>Net commitments</b>		

### By maturity

One year or less		
From one to five years		
Over five years		
<b><i>Net commitments</i></b>		

---

## SCHEDULE OF CONTINGENCIES

as at \_\_\_\_\_

---

	Consolidated	Parent
<b>Contingent losses</b>		
Guarantees to controlled entities		
Other guarantees		
Indemnities		
Uncalled shares/capital subscriptions		
Claims for damages/costs		
Other [for each type]		
<b>Total contingent losses</b>		
<b>Contingent gains</b>		
[Specify each class]		
<b>Net contingencies</b>		

### Schedule of unquantifiable contingent losses/gains

[Summarise material contingencies or classes of contingencies]

Note: 'contingencies' are conditions, situations, or circumstances that:

- a. exist at the end of the reporting period;
- b. create uncertainty as to possible gain or loss to an entity; and
- c. will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

---

## **CLASSES OF ITEMS INCLUDED IN THE PRIMARY STATEMENTS FOR NON-COMMERCIAL REPORTING ENTITIES**

- (d) There must be shown, in a note, the amounts and particulars of the classes of revenues, expenses, assets and liabilities specified in this section where they have been included under an item in the statement of financial performance or in the statement of financial position.
- (e) Any material classes of revenues, expenses, assets and liabilities not specified in this section must be disclosed in the notes separately under the heading to which they relate.
- (f) Any immaterial classes of revenues and expenses not specified in this section may be included in a class described as 'other' under the heading to which they relate.

### **Revenues**

#### **Sale of goods and services**

- Government
- Non-government

#### **Interest**

- Loans
- Leases
- Deposits
- Overdrafts

#### **Dividends**

- Subsidiary companies
- Associated companies
- Other companies

#### **Net gains from sales of assets**

- Receivables
- Investments
- Land and buildings
- Infrastructure, plant and equipment
- Intangibles

#### **Net foreign exchange gains**

- Speculative
- Non-speculative

#### **Other**

- Gains from derivative financial instruments
- Resources received free of charge

### **Expenses**

#### **Employees**

- Remuneration (for services provided)
- Separation and redundancy payments

Note: Separation and redundancy payments must exclude any benefits that would have been accrued and payable if redundancy had not occurred (e.g. accrued leave entitlements and lump sum superannuation payments).



**Suppliers**

Supply of goods and services  
 Operating lease rentals  
 Other

Note: Where a supplier's expenses relate to the provision of employee benefits included in a remuneration package, they should be included in employee expenses.

**Write-down of assets**

Impairment of non-current assets  
 Bad and doubtful debts expense

**Net losses from sales of assets**

Receivables  
 Investments

Land and buildings  
 Infrastructure, plant and equipment  
 Intangibles

**Net foreign exchange losses**

Speculative  
 Non-speculative

**Borrowing costs expense**

Loans  
 Leases  
 Overdrafts  
 Other

**Other**

Losses from derivative financial instruments  
 Guarantees, undertakings and indemnities met

**Extraordinary items**

Each extraordinary item

**Assets****Receivables**

Goods and services  
 Appropriations  
 Loans  
 Bills of exchange and promissory notes  
 Interest and dividends  
 Other

**Investments**

Government securities

Shares  
 Subsidiary companies  
 Associated companies (equity method)  
 Other companies

Debentures

**Land and buildings**

Land  
 Buildings (not integral to infrastructure)

**Infrastructure plant and equipment**

Specialist military equipment  
 Other

**Inventories**

Inventories held for sale  
 Inventories not held for sale

**Intangibles**

- Patents, trade marks, brand names and licences
- Computer software
  - Purchased (include any modification cost)
  - Internally developed
- Research and development expenditure capitalised
- Goodwill
  
- Other

**Other**

- Prepayments paid

**Liabilities**

**Interest bearing liabilities**

- Loans
  - Bank loans
  - Non-bank loans
  - Bills of exchange and promissory notes
- Maturity schedule must be included for total loans showing amounts payable within:
  - One year or less
  - From one to five years
  - More than five years
- Leases
  - Maturity schedule must be included for total leases showing amounts payable within:
    - One year or less
    - From one to five years
    - More than five years
- Deposits
- Overdrafts
- Other

**Provisions**

- Employees
  - Salaries and wages
  - Leave
  - Superannuation
  - Workers' compensation
  - Separations and redundancies
  - Other

**Payables**

- Suppliers
  - Trade creditors
  - Operating lease rentals
- Grants
  - Overseas
  - Non-profit entities
  - Commercial entities
- Other
  - Interest payable
  - Prepayments received

## **SECTION 3: ADMINISTERED NOTES**

### **ADMINISTERED NOTES**

- (a) There must be shown, in a note, the amounts and particulars of the classes of revenues, expenses, assets, liabilities and cash flows specified in this section.
- (b) Any material classes of revenues, expenses, assets, liabilities and cash flows not specified in this section must be disclosed in the notes separately under the heading to which they relate.
- (c) Any immaterial classes of revenues, expenses, assets, liabilities and cash flows not specified in this section may be included in a class described as 'other' under the heading to which they relate.

---

**NOTE XX — REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT <sup>1</sup>**
**Revenues****Income tax**

Gross PAYG  
 Gross other individuals  
 Medicare levy  
 Capital gains tax  
 Income tax refunds  
 External companies (including tax on realised capital gains)  
 Superannuation (including tax on realised capital gains and the superannuation contribution surcharge)  
 Withholding tax  
 Petroleum resource rent tax  
 Related entities  
 Other  
**Total**

**Indirect tax**

GST  
 Sales tax  
 Excise duty (includes petroleum products and crude oil, excludes Revenue Replacement Payments, and the estimates of petroleum products excise are net of the Diesel Fuel Rebate Scheme)  
 Customs duty (excluding Revenue Replacement Payments, and custom duty imposed on imported petroleum products, tobacco, beer and spirits, which are akin to excise duty on these items)  
**Total**

**Other taxes, fees and fines**

Fringe benefits tax  
 Wool tax  
 Other tax  
 Non-taxation  
**Total**

**Interest**

Loans  
   Overseas  
     State and Territory Governments  
     Local government  
     Commonwealth entities  
   Other loans  
 Leases  
 Deposits  
 Bills receivable  
 Overdrafts  
 Other  
**Total**

**Dividends**

International financial institutions  
 Commonwealth entities  
 Associated companies  
 Other companies  
**Total**

---

<sup>1</sup> Where there are material sub-categories within a particular line item, details, including amounts, of each sub-category should be disclosed.

**Net gains from sales of assets**

Receivables  
Investments  
Land and buildings  
Infrastructure, plant and equipment  
Intangibles  
Asset sales program (OASITO)

**Total**

**Net foreign exchange gains**

Speculative  
Non-speculative

**Total**

**Sales of Goods and Services**

Provision of goods – related entities  
Provision of goods – external entities  
Operating lease rental  
Other

**Total**

**Other revenue**

Industry contributions  
Agricultural production taxes  
Licence fees  
Corporations Law fees  
Immigration fees  
Indexation of HECS loans  
Gains from derivative financial instruments  
Other

**Total**

**Total Revenues Administered on behalf of Government**

---

**NOTE XX — EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT <sup>2</sup>**
**Expenses****Grants**

State and Territory Governments  
 Local governments  
 Private sector  
 Overseas  
 Related entities  
**Total**

**Subsidies**

Payable to related entities  
 Other  
**Total**

**Personal Benefits**

Direct  
 Indirect  
**Total**

**Employees**

Wages and salaries  
 Superannuation  
 Leave and other entitlements  
 Separations and redundancies  
 Workers compensation  
 Other  
 Total

**Suppliers**

Supply of goods and services  
 Operating lease rentals  
 Other  
**Total**

Note: Where supplier's expenses relate to the provision of employee benefits included in a remuneration package, they should be included in employee expenses.

**Depreciation and Amortisation****Write-down of assets**

Financial assets  
 Receivables  
 Investments  
 Non-financial assets  
 Land and buildings  
 Infrastructure, plant and equipment  
 Inventories  
 Intangibles  
**Total**

**Net losses from sales of assets**

Financial assets  
 Investments  
 Non-financial assets  
 Land and buildings  
 Infrastructure, plant and equipment  
 Intangibles  
 Asset Sales Program (OASITO)  
**Total**

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<sup>2</sup> Where there are material sub-categories within a particular line item, details, including amounts, of each sub-category should be disclosed.

**Net foreign exchange losses**

Speculative  
Non-speculative  
**Total**

**Interest**

Commonwealth securities  
Loans  
Leases  
Deposits  
Overdrafts  
Other  
Taxation overpayments  
**Total**

**Other**

Losses from derivative financial instruments  
Guarantees, undertakings and indemnities met  
**Total**

**Extraordinary items**

Each extraordinary item  
**Total**

**Total expenses administered on behalf of Government**



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**NOTE XX — ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT <sup>3</sup>**
**Financial assets****Cash**

OPA  
Agency

**Receivables**

Income tax  
Sales tax  
Excise duty  
Customs duty  
Goods and Services Tax  
Other taxes, fees and fines  
Recoveries of benefit payments  
Advances  
Loans  
    State and Territory Governments  
    Local governments  
    HECS  
    Other  
Goods and services  
Bills of exchange and promissory notes  
Interest and dividends  
Other

**Total****Investments**

Gold  
Government securities  
Shares  
    Commonwealth companies  
    Associated companies (equity method)  
    Other companies  
Debentures  
Non-financial assets

**Total****Non-financial assets****Land and buildings**

Land  
Buildings (not integral to infrastructure)

**Total****Infrastructure, Plant and Equipment****Inventories**

Inventories held for sale  
Inventories not held for sale

**Total****Intangibles**

Computer software  
Other

**Total****Other**

Prepayments paid  
Future income tax benefit  
Other

**Total****Total Assets administered on behalf of Government**


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<sup>3</sup> Where there are material sub-categories within a particular line item, details, including amounts, of each sub-category should be disclosed.

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**NOTE XX — LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT <sup>4</sup>**

**Interest bearing liabilities**

Government securities

Loans

Bank loans

Non-bank loans

Bills of exchange and promissory notes

**Total**

Maturity schedule must be included for total loans showing amounts payable within:

One year or less

From one to five years

More than five years

Leases

Deposits

Overdrafts

Other

**Total**

**Provisions**

Employees

Superannuation

Other

**Total**

**Payables**

Suppliers

Trade creditors

Operating lease rentals

**Total**

Grants

State and Territory Governments

Local governments

Private sector

Overseas

**Total**

Personal benefits payable

Subsidies payable

Interest payable

Prepayments received

Provision for tax refunds

Australian currency on issue

Other

**Total**

**Total liabilities administered on behalf of Government**

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<sup>4</sup> Where there are material sub-categories within a particular line item, details, including amounts, of each sub-category should be disclosed.

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**NOTE XXX — ADMINISTERED CASH FLOWS**

for the period ended \_\_\_\_\_

**OPERATING ACTIVITIES****Cash received**

Income tax  
 Indirect tax  
 Other taxes, fees and fines  
 Sales of goods and services  
 Interest  
 Dividends  
 Cash from Official Public Account  
 Other

***Total cash received*****Cash used**

Subsidies  
 Personal benefits  
 Suppliers  
 Grants  
 Interest  
 Cash to Official Public Account  
 Other

***Total cash used*****Net cash from operating activities****INVESTING ACTIVITIES****Cash received**

Proceeds from sales of property, plant and equipment  
 Proceeds from sales of equity instruments  
 Repayments of advances  
 Cash from Official Public Account  
 Other

***Total cash received*****Cash used**

Purchase of property, plant and equipment  
 Purchase of equity instruments  
 Advances made  
 Cash to Official Public Account  
 Other

***Total cash used*****Net cash from investing activities****FINANCING ACTIVITIES****Cash received**

Proceeds from borrowing  
 Cash from Official Public Account  
 Other

***Total cash received***

**Cash used**

Repayments of debt  
Dividends  
Cash to Official Public Account  
Other

**Total cash used**

Net cash from financing activities

***Net increase/decrease in cash held***

Cash at beginning of reporting period  
Effect of exchange rate movements on cash at beginning of reporting period

***Cash at end of reporting period***

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## Appendix B

### Definition of Terms

#### **administered items**

Revenues, expenses, assets and liabilities which are:

- (a) controlled by the Government; and
- (b) managed by an agency or authority on behalf of the Government.

Note: Administered revenues, expenses, assets and liabilities include:

- subsidies, grants and benefit payments;
- taxes, fees, fines and excise;
- public debt and related interest; and
- loans to other governments and related interest.

#### **assets received free of charge**

Include any economic benefits for which ‘peppercorn rentals’ or other charges are made that do not reflect the fair value of those benefits.

#### **Authority**

A Commonwealth authority as defined in section 7 of the *Commonwealth Authorities and Companies Act 1997*.

#### **Budget**

The Commonwealth Budget.

(For clarification: ‘Budget’ does not include additional estimates, Advance to the Finance Minister, etc).

#### **commercial reporting entity**

A reporting entity whose financial objectives include the overall generation of profit.

#### **current cost**

Cost measured by reference to the lowest cost at which the gross ‘service potential’ of an asset could currently be obtained in the normal course of business.

#### **current market selling price**

The price that a willing but not anxious seller would accept from a willing but not anxious buyer for an asset in an arms-length transaction at current prices. This does not include transaction costs.

### **departmental**

Assets, liabilities, revenues and expenses in relation to an agency or authority are those which are controlled by the agency (or a subsidiary), including:

- (a) computers, plant and equipment used in providing goods and services;
- (b) liabilities for employee entitlements;
- (c) departmental price of outputs appropriations;
- (d) revenues from user charges and profits on asset sales deemed to be appropriated to agencies in accordance with section 31 of the *Financial Management and Accountability Act 1997* and the annual appropriation Acts; and
- (e) employee expenses and other administrative expenses (including contracting out) incurred in providing goods and services.

The annual Appropriation Acts define a number of different departmental item types (for example departmental item – basic appropriation, departmental items-adjustments, departmental items, departmental capital items – basic appropriation, departmental capital items - adjustments and borrowings) and put specific limitations on their use.

### **deprival model**

A conceptual framework for identifying a method for valuing assets at their current value to the entity which controls those assets.

### **financial statements**

Include:

- (a) the statements, schedules and notes required by this Schedule; and
- (b) any other certificates, reports and notes (other than the auditor's report and annual report) attached to or intended to be read with the statements and notes required by (a);

prepared in relation to:

- (a) the agency or authority; and
- (b) where the agency or authority is a parent entity—the economic entity comprising the agency or authority and its subsidiaries.

### **general government sector**

The primary function of this sector is to provide public services which are mainly non-market in nature, are mainly for the collective consumption of the community, involve the transfer or redistribution of income or are financed mainly through taxes and other compulsory levies.

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**grants**

Grants are non-reciprocal transfers of resources for the purpose of financing the operations of the recipient or meeting the cost of capital expenditure of the recipient where the Commonwealth does not directly receive approximately equal value in return.

**heritage assets**

Assets earmarked by the government for preservation because of their unique historical, geographical, cultural or environmental attributes.

**market buying price**

The amount for which an asset with similar service potential could be bought by a knowledgeable, willing buyer from a knowledgeable, willing seller in an arms-length transaction at current prices plus the buyer's transaction costs. This equates to current market value plus the buyer's transaction costs.

**non-commercial reporting entity**

A reporting entity whose financial objectives do not include the overall generation of profit.

**personal benefit payments**

Unrequited current transfers for the benefit of individuals or households.

**revalued progressively**

Revaluation of assets within a class, conducted in a systematic manner over a three-year period.

**replacement cost**

A measure of the cost per unit of service potential using the most appropriate modern facility as a reference asset.

**reproduction cost**

The cost of replicating an existing asset.

**reserves**

Include:

- (a) amounts set aside out of profits; or
- (b) other gains or increments not reflected in the profit or loss (or surplus or deficit) (such as gains on revaluation of assets).

**revenues from independent sources**

Include revenues from:

- (a) the sale of goods or provision of services to other entities (user charges); and
- (b) profits from the sale of assets.

**surplus assets**

Assets that are held for disposal, being those assets for which:

- (a) an entity has entered into a binding sale agreement; or
- (b) an entity's management or governing body has approved a formal plan to dispose of the assets.



## Notes to the *Financial Management and Accountability (Financial Statements 2001–2002) Orders*

### Note 1

The *Financial Management and Accountability (Financial Statements 2001–2002) Orders* (in force under subsection 63 (1) of the *Financial Management and Accountability Act 1997*) as shown in this compilation is amended as indicated in the Tables below.

### Table of Instruments

Title	Date of notification in Gazette	Date of commencement	Application, saving or transitional provisions
<i>Financial Management and Accountability (Financial Statements 2001–2002) Orders</i>	27 June 2001 (see Gazette 2001, No. GN25)	27 June 2001	
<i>Financial Management and Accountability (Financial Statements 2001–2002) Amendment Orders</i>	15 May 2002 (see Gazette 2002, No. GN19)	15 May 2002	—

**Table of Amendments**

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**Table of Amendments**

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted

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<b>Provision affected</b>	<b>How affected</b>
Schedule 1 .....	am. FMAFS 2001-2002

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