



Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 1 July 2009)

I, LINDSAY TANNER, Minister for Finance and Deregulation, make these Orders under subsection 48 (1) of the *Commonwealth Authorities and Companies Act 1997* and subsection 19(3) of the *Anglo-Australian Telescope Agreement Act 1970*.

Dated March 31st 2010

Lindsay Tanner
Minister for Finance and Deregulation

1 Name of Orders

These Orders are the *Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 1 July 2009)*.

Notes:

- These Orders relate to the preparation of financial statements.
- Other matters relating to Commonwealth authorities are dealt with in other Orders made by the Minister under subsection 48 (1) of the *Commonwealth Authorities and Companies Act 1997*.

2 Commencement

These Orders commence on 1 July 2009.

3 Financial statements for reporting periods ending on or after 1 July 2009

Schedule 1 sets out the requirements for the preparation of financial statements for the reporting periods ending on or after 1 July 2009 for:

- (a) subclause 2(1) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997*; and
- (b) subsection 19(3) of the *Anglo-Australian Telescope Agreement Act 1970*.

Note: Schedule 1 is identical to Schedule 1 to the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2009)* to achieve uniformity in financial reporting across the Australian Government public sector. There are, however, certain terms, requirements and references in Schedule 1 that apply to Commonwealth Authorities and not to Agencies, and vice-versa.

Schedule 1 Finance Minister's Orders for Financial Reporting for reporting periods ending on or after 1 July 2009

SCHEDULE 1

FINANCE MINISTER'S ORDERS FOR FINANCIAL REPORTING

REQUIREMENTS FOR THE PREPARATION OF FINANCIAL STATEMENTS OF AUSTRALIAN GOVERNMENT ENTITIES FOR REPORTING PERIODS ENDING ON OR AFTER 1 JULY 2009

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Part A INTRODUCTION

1 *Legislative Authority*

- 1.1** The Minister for Finance and Deregulation (Finance Minister) makes:
- (a) the *Financial Management and Accountability Orders (Financial Statements for Reporting Periods Ending on or after 1 July 2009)* under subsection 63(1) of the FMA Act; and
 - (b) the *Commonwealth Authorities and Companies Orders (Financial Statements for Periods Ending on or after 1 July 2009)* under subsection 48(1) of the CAC Act.
- 1.2** These Orders are relevant to all reporting entities covered by:
- (a) section 49 of the FMA Act; or
 - (b) clause 2 of Schedule 1 to the CAC Act.
- 1.3** These Orders form part of the financial reporting framework for Australian Government entities. Elements and requirements of the framework are set out in Division 8.
- 1.4** Where a choice of accounting policy is required to be made that is not covered by these Orders, and an accounting treatment that is consistent with the GFS framework is available, that treatment must be applied.

2 *Structure*

- 2.1** The following numbering conventions are used within this schedule:
- (a) major components are parts, denoted by an upper case letter, e.g. A, B, C;
 - (b) parts are broken into divisions, denoted by a number. Divisions are not always numbered consecutively, to allow for future additions; and
 - (c) each division is further broken up into sections, which commence at .1 in each division.

3 *Further Information*

Part B DEFINITIONS AND ABBREVIATIONS

4 Definitions

Active Market	<p>A market where all the following conditions exist:</p> <ul style="list-style-type: none">(a) items traded within the market are homogenous;(b) willing buyers and sellers can normally be found at any time; and(c) the prices are available to the public. <p>(<u>AASB 138 para. 8</u>, <u>AASB 136 para. 6</u>, <u>AASB 141 para. 8</u>)</p>
Administrative Arrangements Order	<p>The functions and activities of the Government are administered in accordance with the AAO, issued from time to time by the Governor-General. The AAO establishes the matters to be dealt with by each Department of State, and the Acts of Parliament to be administered by each Minister.</p>
Administered Investments	<p>Administered investment is defined for the purpose of this schedule as an investment by the Australian Government in a subsidiary, associate or jointly controlled operation or entity that is disclosed in the financial statements of an agency on behalf of the Australian Government.</p>
Administered Items	<p>Those items that an agency does not control but over which it has management responsibility on behalf of the Government and which are subject to prescriptive rules or conditions established by legislation, or Australian Government policy, in order to achieve Australian Government outcomes. Refer to <u>Division 15</u> for further information.</p>
Agency	<p>An agency is as defined in <u>section 5 of the FMA Act</u>. Briefly, agency means:</p> <ul style="list-style-type: none">(a) Department of State (but not including any part of the Department that is a prescribed agency);(b) Department of the Parliament; or(c) an agency prescribed under <u>Regulations</u> to the <i>FMA Act</i>. <u>Regulation 5</u> and its related <u>schedule</u> list the prescribed agencies.
Amortisation	<p>The systematic allocation of the depreciable amount of an asset held under a finance lease or intangible asset, over its useful life.</p> <p>(<u>AASB 138 para. 8</u>, <u>AASB 116 para. 6</u>)</p>
Appropriation	<p>For the purposes of this schedule, an authority under any Act or law to draw money from the CRF, whether or not the law concerned used the word appropriation or appropriated.</p>
Asset	<p>A resource:</p> <ul style="list-style-type: none">(a) controlled by an entity as a result of past events; and(b) from which future economic benefits are expected to flow

to the entity; economic benefits being synonymous with service potential.

(AASB 138 para. 8, Framework for the Preparation and Presentation of Financial Statements Aus49.1)

Australian Government	All bodies that comprise the public sector at the national level. This includes the Commonwealth, office holders, statutory corporations and their subsidiaries.
Australian Accounting Standards	<u>AAS</u> and <u>AASB</u> Standards released by the <u>AASB</u> .
Authority	A Commonwealth authority as defined in <u>section 7 of the CAC Act</u> . Also referred to in this schedule as a CAC entity.
Business Operation/s	Function or functions within an agency that have been determined to be a business operation pursuant to <u>section 5A of the Financial Management and Accountability Regulations 1997</u> . They generally produce goods and services for persons or other entities at market prices and are not primarily funded by appropriations.
Carrying Amount	The amount at which an asset or liability is recognised after deducting any accumulated depreciation (or amortisation) and accumulated impairment losses. <u>(AASB 116 para. 6, AASB 136 para. 6, AASB 138 para. 8)</u>
Cash-generating Unit	The smallest identifiable group of assets that generates cash inflows that is largely independent of the cash inflows from other assets or groups of assets. <u>(AASB 5 Appendix A, AASB 136 para. 6)</u>
Collection Institutions	The following entities are Collection Institutions: (a) Australian Institute of Aboriginal and Torres Strait Islander Studies; (b) Australian National Maritime Museum; (c) Australian War Memorial; (d) National Archives of Australia; (e) National Film and Sound Archive; (f) National Gallery of Australia; (g) National Library of Australia; (h) National Museum of Australia; and (i) Old Parliament House.
Commonwealth	The legal entity of the Commonwealth of Australia, created by the <u>Australian Constitution</u> .
Concessional Loan	A loan provided on more favourable terms than the borrower could obtain in the market place. The concession provided may be in the form of lower than market interest rates, longer loan

	<p>maturity or grace periods before the payment of the principal and/or interest.</p>
Consolidated Financial Statements (CFS)	<p>The Australian Government's consolidated financial statements are the annual, end-of-year financial statements prepared under <u>section 55 of the <i>FMA Act</i></u> and in accordance with AAS. The CFS report the consolidated results for the Australian Government as well as disaggregated information on the various sectors of government (GGS, PNFCs and PFCs).</p>
Contingent Assets	<p>A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.</p> <p><u>(AASB 137 para. 10)</u></p>
Contingent Liability	<p>(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or</p> <p>(b) a present obligation that arises from past events but is not recognised because:</p> <ul style="list-style-type: none">(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or(ii) the amount of the obligation cannot be measured with sufficient reliability. <p><u>(AASB 137 para. 10)</u></p>
Cost	<p>The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other AAS.</p> <p><u>(AASB 116 para. 6, AASB 138 para. 8, AASB 140 para. 5)</u></p>
Cost Recoveries	<p>Revenues recovered directly from the provision of goods and services, including user charges. Cost recoveries do not include intra/inter-Government charging, charges by GBEs, competitively neutral commercial charging arrangements, general taxation, repayment of loans to the Australian Government, receipts from asset sales, including sales and licensing of patents or intellectual property, rental of property, royalties or other property related incomes, fines and penalties, payments by customers to non-Australian Government entities where Commonwealth policies may affect prices, receipts from one-off specific policy measures, charges relating to industry-Government partnerships, statutory marketing levies, and fees charged by courts and tribunals.</p>
Costs to Sell	<p>The incremental costs directly attributable to the disposal of an asset (or disposal group) excluding finance costs and income tax</p>

	<p>expense.</p> <p>(AASB 5 Appendix A)</p>
Departmental Items	<p>Those items which the entity controls that are applied to the production of the entity's own outputs. Refer to <u>Division 15</u> for further information.</p>
Depreciable Amount	<p>The cost of an asset, or other amount substituted for cost, less its residual value.</p> <p>(AASB 116 para. 6, AASB 138 para. 8, AASB 136 para. 6)</p>
Depreciated Replacement Cost	<p>The current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.</p> <p>(AASB 136 para. Aus6.2)</p>
Depreciation	<p>The systematic allocation of the depreciable amount of an asset over its useful life.</p> <p>(AASB 116 para. 6)</p>
Drawdown	<p>An authorised transmission (drawdown) of funds from the OPA to either the respective agency's Official Administered Payments account or Official Departmental account.</p>
Employee	<p>An individual who renders personal services to an entity and is either regarded as an employee for legal or tax purposes, works for an entity under the direction of the entity in the same way as an individual who is regarded as an employee for legal or tax purposes, or renders services in a similar way to individuals regarded as employees for legal or tax purposes.</p> <p>(derived from AASB 2 Appendix A)</p>
Employee Benefits	<p>All forms of consideration given by an entity in exchange for services rendered by employees.</p> <p>(AASB 119 para. 7)</p>
Employee Entitlements	<p>Refer to Employee Benefits.</p>
Entity	<p>Refers to an:</p> <ul style="list-style-type: none">(a) agency;(b) authority;(c) economic entity - comprising the agency or authority and its subsidiaries; and(d) each activity or activities of an agency which is/are determined to be a business operation. <p>For the purpose of this schedule, Commonwealth Companies</p>

	<p>incorporated under the <i>Corporations Act 2001</i> do not fall under this definition except to the extent that they form part of an economic entity referred to above.</p>
Equity	<p>The residual interest in the assets of the entity after deducting all its liabilities.</p> <p><i>(Framework for the Preparation and Presentation of Financial Statements para. 49)</i></p>
Expenses	<p>Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.</p> <p><i>(Framework for the Preparation and Presentation of Financial Statements para. 70)</i></p>
Fair Value	<p>The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.</p> <p><i>(AASB 116 para. 6, AASB 119 para. 7, AASB 132 para. 11, AASB 138 para. 8, AASB 139 para. 9)</i></p>
Finance Briefs	<p>Provide clarification and guidance on the Government's accounting and financial reporting policies as required throughout the year and are prepared by Finance.</p>
Finance Chief Executive	<p>Secretary of the Department of Finance and Deregulation.</p>
Finance Lease	<p>A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.</p> <p><i>(AASB 117 para. 4)</i></p>
Financial Instrument	<p>Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.</p> <p><i>(AASB 132 para. 11)</i></p>
Financial Report/Statements	<p>Includes:</p> <ul style="list-style-type: none">(a) the primary 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); <p>prepared in relation to:</p> <ul style="list-style-type: none">- the agency or authority; and- where the agency or authority is a parent entity, the economic entity comprising the agency or authority and its subsidiaries.

Financial report as used in this schedule must be taken to have the same meaning as the term financial statements applied in the FMA Act and CAC Act.

For-Profit Entities	Any entity that does not meet the definition of a not-for-profit entity.
Gains	Gains represent items of income that are not revenue. <u>(Framework for the Preparation and Presentation of Financial Statements para. 75)</u>
General Government Sector	Institutional sector comprising all government units and non-profit institutions controlled and mainly financed by government. <u>(Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005, Glossary)</u>
Government Business Enterprises	A Commonwealth authority or Commonwealth company that is prescribed as a GBE in regulations under the <u>Commonwealth Authorities and Companies Regulations 1997</u>.
Grants	Contributions of Government resources to or from a unit of Government for specific or general purposes where there is no expectation that the amount will be repaid in equal value. Grants can take the form of money, property or technical assistance and subsidies. (See also <u>AASB 120 para. 3</u>)
Held for Sale	An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. <u>(AASB 5 para. 6)</u>
Impairment Loss	The amount by which the carrying amount of an asset exceeds its recoverable amount. <u>(AASB 116 para. 6, AASB 136 para. 6, AASB 138 para. 8)</u>
Income	Increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants. Income can be comprised of revenue and gains. <u>(Framework for the Preparation and Presentation of Financial Statements paras. 70(a) and 74)</u>
Indefinite Useful Life	Where there is no foreseeable end to the period over which future economic benefits are expected to be generated by the asset for the entity. This does not mean the asset has an infinite useful life, but that the entity has the ability and intention to maintain the asset indefinitely in close approximation to its present state.
Intangible Asset	An identifiable non-monetary asset without physical substance. <u>(AASB 138 para. 8)</u>

Liability	<p>A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.</p> <p><u>(AASB 137 para. 10)</u></p>
Material	<p>Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size and nature of the item, or a combination of both could be the determining factor. Refer to <u>section 12.1</u>.</p> <p><u>(AASB 101 para. 11, AASB 108 para. 5, AASB 1031 Appendix)</u></p>
Not-For-Profit Entities	<p>An entity whose principal objective is not the generation of profit. A not-for-profit entity can be a single entity or a group of entities comprising the parent and each of the entities that it controls.</p> <p><u>(AASB 116 para. Aus6.1)</u></p>
Operating Lease	<p>A lease other than a finance lease <u>(AASB 117 para. 4)</u>.</p> <p>An operating lease does not transfer substantially all the risks and rewards incidental to ownership of the leased asset.</p> <p><u>(AASB 117 para. 8)</u></p>
Outcomes	<p>The results, impacts or consequences of actions by the Australian Government on the Australian community. Outcomes are the results or impacts that the Government wishes to achieve. For reporting purposes outcomes equate to major activities in <u>AASB 1052</u>.</p>
Outsider	<p>Any person other than the Commonwealth, an official or a Minister.</p> <p><u>(FMA Act section 12 (3))</u></p>
Own-Source Income	<p>For <i>FMA Act</i> agencies, it consists of all income with the exception of appropriation revenue. <i>FMA Act</i> section 31 revenue is included as own-source income.</p> <p>For <i>CAC Act</i> authorities, it consists of all income except revenue from Government.</p>
Performance Guarantee	<p>A guarantee of another entity's performance of services to a third party, which may or may not create a financial obligation for the guarantor in the event of non-performance. A performance guarantee is not a financial guarantee.</p>
Personal Benefit Payments	<p>Current transfers for the benefit of individuals or households (for example, child care and family tax benefits) that do not require any economic benefit to flow back to Government.</p>

Portfolio Budget Statements	The aggregation of agency budget statements by portfolio.
Primary Financial Statements	The statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement.
Provision	A liability of uncertain timing or amount. <u>(AASB 137 para. 10)</u>
Public Financial Corporations	Public sector corporations which are engaged in providing financial intermediation services or auxiliary financial services, as listed in the <u>flipchart of FMA Act Agencies / CAC Act Bodies or List of Australian Government Bodies and Governance Relationships as at 1 October 2009</u> available from Finance's website.
Public Money	Includes: <ul style="list-style-type: none">(a) money in the custody or under the control of the Commonwealth; or(b) money in the custody or under the control of any person acting for or on behalf of the Commonwealth in respect of the custody or control of the money; including such money that is held on trust for, or otherwise for the benefit of, a person other than the Commonwealth. <u>(FMA Act section 5)</u>
Recoverable Amount	Means the higher of: an asset's fair value less costs to sell, and its value in use. <u>(AASB 5 Appendix A, AASB 136 para. 6)</u>
Redundancy	Termination of employment which is not a result of any personal act or fault of individual employees nor of any characteristic peculiar to them. Their employment is terminated because the employer no longer requires their jobs to be filled by anyone.
Reimbursement	To make repayment to a party for expense or loss incurred.
Reserves	Equity items, including: <ul style="list-style-type: none">(a) amounts set aside out of profits; or(b) other net movements not reflected in the profit or loss (or surplus or deficit) (such as net gains on revaluation of assets).
Resources Received Free of Charge	Services received for no or nominal consideration that would have been purchased if they had not been donated, and that can be reliably measured.
Responsible Agency	The agency named in the relevant legislation or if not named, the portfolio department, unless determined otherwise by the relevant Minister.

Revaluation	The act of recognising a reassessment of the carrying amount of an asset to its fair value as at a particular date, but excludes recoverable amount write-downs and impairment losses.
Revenue	The gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. <u>(AASB 118 para. 7)</u>
Special Account	Essentially a ledger entry within the CRF which is supported by standing appropriations (<i>FMA Act</i> sections 20 and 21). Special accounts allow money in the CRF to be notionally set aside for a particular purpose.
Special Appropriations	Money appropriated under a specific Act of Parliament for a specific purpose that usually do not require annual authorisation by the Parliament.
Special Public Money	Special public money means public money that is not held on account of the Commonwealth or for the use or benefit of the Commonwealth. (For example, money that the Commonwealth holds on trust.) <u>(FMA Act subsection 16(4))</u>
Standing Appropriations	A subset of special appropriations where the amount appropriated is determined by reference to legislative criteria or conditions, (also known as appropriations unlimited by amount).
Subsidy	A grant made that supplements the cost of a good or service.
Transfer Payments	Transfer payments are those payments which an agency is responsible for transferring to eligible recipients under legislation or some other authority, but that the agency does not control. Transfer payments may include: <ul style="list-style-type: none">(a) personal benefit payments such as:<ul style="list-style-type: none">(i) unemployment benefits;(ii) family allowances; and(iii) age and invalid pensions;(b) disaster relief; and(c) grants and subsidies made to other entities.
Unexpired Discount	The difference between the grant component of the concessional loan recognised on initial recognition and any subsequent unwinding (writing back) of the grant component.
Useful Life	(a) The period over which an asset is expected to be available for use/used by the entity; or (b) the number of production or similar units expected to be obtained from the asset by the entity.

(AASB 116 para. 6)

Value in Use

The present value of the future cash flows expected to be derived from an asset or cash-generating unit.

In respect of not-for-profit entities, value in use is depreciated replacement cost of an asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

(AASB 5 Appendix A, AASB 136 para. 6 and para. Aus32.1)

5 Abbreviations

This schedule contains references to the sources of accounting and disclosure requirements. Key abbreviations used are as follows:

AAO	Administrative Arrangements Order
AAS	<u>Australian Accounting Standards</u> (issued by the AASB or its predecessor bodies)
AASB	The Australian Accounting Standards Board established under the <u>Australian Securities and Investments Commission Act 2001</u>, or the AAS issued by the Board, as the case requires
ANAO	Australian National Audit Office
APS	Australian Public Sector
ATO	Australian Taxation Office
Aus	Paragraphs in the AAS or AASB Interpretations that do not appear in the text of the IASB Framework or Standards are identified with the prefix Aus, followed by the number of the relevant AASB paragraph
CAC Act	The <u>Commonwealth Authorities and Companies Act 1997</u>
CFO	Chief Financial Officer or Chief Finance Officer
CN	Competitive Neutrality
CRF	Consolidated Revenue Fund
ED	Exposure draft for a proposed Accounting Standard issued by the AASB
Finance	Department of Finance and Deregulation
FMA Act	The <u>Financial Management and Accountability Act 1997</u>
FMO	The <i>Financial Management and Accountability Orders (Financial Statements for Reporting Periods Ending on or after 1 July 2009)</i> made by the Finance Minister under the authority of <u>section 63 of the FMA Act</u> and the <i>Commonwealth Authorities and Companies Orders (Financial Statements for Periods Ending on or after 1 July 2009)</i> made by the Finance Minister under the authority of <u>section 48 of the CAC Act</u>

FRC	Financial Reporting Council
GBE	Government Business Enterprise
GFS	Government Finance Statistics
GGS	General Government Sector
IASB	International Accounting Standards Board
IFRSs	International Financial Reporting Standards (issued by the IASB)
OPA	Official Public Account
PFC	Public Financial Corporation
PNFC	Public Non-Financial Corporation
PRIMA	Primary Reporting and Information Management Aid
PS Act	<u>Public Service Act 1999</u>
SAC	<u>Statements of Accounting Concepts</u> issued by the AASB (or predecessor)
TER	Tax Equivalent Regime

Part C APPLICATION AND PRESENTATION

6 Commencement

- 6.1 Subject to section 6.2, the requirements of this schedule, including Annexure A, apply to financial statements prepared for reporting periods ending on or after 1 July 2009. These requirements replace previously published Finance Minister's Orders for financial reporting.
- 6.2 For entities that cease to exist on or after 1 July 2009, the financial reporting requirements set out in this schedule shall apply.

7 Applicable Entities

- 7.1 Financial statements must be prepared for the following entities:
- (a) each agency and authority;
 - (b) the economic entity, comprising the agency or authority and its subsidiaries; and
 - (c) each activity or activities of an agency that is/are determined to be a business operation.

8 Authoritative Requirements

- 8.1 Where there is a conflict between this schedule and any other named authoritative requirement in section 8.2, entities are to apply the provisions in this schedule.
- 8.2 Subject to section 8.1, the financial statements of each entity must comply with the applicable financial reporting framework for Australian Government entities. This framework comprises and requires entities to:
- (a) comply with:
 - (i) all applicable requirements of this schedule including Annexure A and other policies issued by Finance;
 - (ii) applicable AAS and interpretations issued by the AASB that apply for the reporting period; and
 - (b) have regard to:
 - (i) guidance to this schedule and Annexure A;
 - (ii) the Statements of Accounting Concepts 1 and 2 (SACs);
 - (iii) the AASB Framework for the Preparation and Presentation of Financial Statements; and
 - (iv) Estimates Memorandums, FinanceBriefs, Finance Circulars, Financial Management Guidance series, Accounting Guidance Notes and other guidance issued by Finance.

9 Financial Reporting Structure and Form

- 9.1 The financial statements of each entity must:**
- (a) include the primary financial statements, schedules and notes in the form prescribed in Annexure A;**
 - (b) include all note disclosures specified in this schedule and outlined in Annexure A;**
 - (c) be presented in the English language and Australian dollars; and**
 - (d) for entities that operate on a for-profit basis, disclose that fact.**
- 9.2 The financial statements of each entity must be presented in the following order:**
- (a) statement required by section 14.2 or 14.3;**
 - (b) primary financial statements (statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement); and**
 - (c) schedules and notes to the financial statements.**
- 9.3 Comparative information must be disclosed in the financial statements unless not required by this schedule or AAS.**
- 9.4 This schedule applies to departmental as well as administered items unless otherwise specified.**
- 9.5 Entities must include sub-total rows and/or columns in Annexure A notes as required to reconcile to line items on the face of the primary statements. Additional total and sub-total rows and columns may be included to present information required by AAS or to improve the clarity of the financial statements.**
- 9.6 Where zero balances occur in the current and comparative years, the line item may be omitted, except for balances that relate to the following items:**
- (a) Compensation and debt relief disclosures under Division 122; and**
 - (b) Remuneration of Auditors.**

10 Simplified Reporting

- 10.1** Entities may adopt the simplified reporting provisions set out in sections 10.2 to 10.6 having regard to section 8.2 and the order of information outlined in Annexure A.

Presentation of Primary Financial Statements

- 10.2** Where an entity's net surplus/deficit is solely attributable to the Australian Government in both the current and immediately preceding reporting periods, the statement of comprehensive income line items titled surplus (deficit) attributable to the Australian Government, surplus (deficit) attributable to any non-controlling interest and total comprehensive income (loss) attributable to any non-controlling interests may be omitted.
- 10.3** Where an amount is disclosed on the face of a primary financial statement, it is not necessary to repeat this information in the notes to the financial statements, unless this is required in conjunction with the presentation of other information.

Notes to the Financial Statements

- 10.4** Where the fair value of each class of an entity's financial assets and financial liabilities equals its carrying amount in both the current and immediately preceding reporting periods, entities may state this fact rather than disclosing fair values alongside carrying amounts.
- 10.5** In relation to Division 122 of this schedule, an entity that has no transactions in either the current reporting or any comparative period, must disclose by way of a note that there were no such transactions or balances.
- 10.6** Where there are no commitments or contingencies in either the current or the immediately preceding reporting periods, it is not necessary to include a schedule for such items. Instead, the fact that there are no such items must be disclosed in the notes to the financial statements.

11 Early Adoption of Accounting Pronouncements

- 11.1** If an entity wishes to adopt a new AAS or AASB Interpretation earlier than its effective date of application, other than as permitted or required by this schedule, it must seek approval from the Finance Chief Executive.
- 11.2** The Finance Chief Executive may instruct one or more entities to early adopt a new AAS or AASB Interpretation.

12 *Materiality and Information Disclosure*

- 12.1** The requirements of this schedule apply where information resulting from their application is material, or as specifically stated within the schedule.
- 12.2** Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to:
- (a)** influence the economic decisions of users taken on the basis of the financial statements; or
 - (b)** affect the discharge of accountability by management or the governing body of the entity.
- 12.3** Entities must prepare financial statements to reflect materiality of information pursuant to this schedule at the individual entity level.
- 12.4** Entities must maintain proper accounting records to support all disclosures required by this schedule and the supporting policy.
- 12.5** Each change in accounting policy must be disclosed separately.

13 *Rounding Off*

- 13.1** Unless otherwise provided in this schedule, amounts in the financial statements may be rounded off to the nearest dollar, or where applicable as follows:
- (a)** where a reporting entity has assets, liabilities, expenses, income, commitments or contingencies in excess of \$10 million — it may round an amount to the nearest \$1,000, unless that amount is less than \$500, in which case the amount should be rounded to zero; and
 - (b)** where a reporting entity has assets, liabilities, expenses, income, commitments or contingencies in excess of \$1 billion — it may round an amount to the nearest \$1 million, unless that amount is less than \$500,000, in which case the amount should be rounded to zero.
- 13.2** The thresholds in section 13.1 must be applied separately to departmental and administered reporting.
- 13.3** Subject to section 13.4, amounts reported in the notes to the financial statements for appropriations, special accounts and outcomes are to be rounded to the nearest dollar, or \$1,000 where the entity meets the requirements of paragraph 13.1(a). Paragraph 13.1(b) does not apply.
- 13.4** The items relating to appropriations in the following tables are not to be rounded and are excluded from the requirements in section 13.5:
- (a)** section 104.15 Table A2; and
 - (b)** section 104.16 Table B2.
- 13.5** Except where otherwise provided by this schedule:
- (a)** rounding must be applied consistently within departmental reporting; and
 - (b)** rounding must be applied consistently within administered reporting.

- 13.6** Rounding need not be consistent between departmental and administered reporting, with the exception of appropriations, outcomes and special accounts disclosures.
- 13.7** Materiality must be considered prior to rounding generally, to ensure rounding does not affect whether or not the item is considered material.

14 *Certificates*

- 14.1** The signed audit report on the financial statements must be attached to the financial statements.
- 14.2** Each authority or, where relevant, each economic entity comprising an authority and its subsidiaries' financial statements as applicable, must present a statement signed by: the chair of the board (or a director) in accordance with a resolution of the board; the chief executive officer; and the CFO, stating:
- (a) whether the financial statements, in their opinion, give a true and fair view of the matters required by this schedule;
 - (b) whether the financial statements, in their opinion, have been prepared based on properly maintained financial records;
 - (c) for entities other than the Reserve Bank of Australia, whether, in their opinion, there are, when the statement is made, reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due;
 - (d) when additional information is included in the notes to give a true and fair view and/or to satisfy section 16.3 where applicable, then the reasons for forming this view and the location of the additional notes in the financial statements;
 - (e) that the statement has been made in accordance with a resolution of the directors; and
 - (f) the date on which the statement is made.
- 14.3** Each other entity identified in section 7.1 required to prepare financial statements must include a statement signed by the chief executive officer and CFO stating:
- (a) whether the financial statements, in their opinion, give a true and fair view of the matters required by this schedule;
 - (b) whether the financial statements, in their opinion, have been prepared based on properly maintained financial records;
 - (c) when additional information is included in the notes to give a true and fair view and/or to satisfy section 16.3 as applicable, then the reasons for forming this view and the location of the additional notes in the financial statements; and
 - (d) the date on which the statement is made.

15 *Departmental and Administered Items: Classification and Reporting*

- 15.1** With the exception of items covered under Division 38, agencies must distinguish items as departmental or administered in the financial statements for all disclosures outlined in this schedule.
- 15.2** The financial statements of agencies must present departmental and administered items in accordance with Cabinet decisions on their classification.
- 15.3** No changes are to be made to the classification of existing items without the approval of Cabinet or the Finance Minister.
- 15.4** Money held in trust for other persons is neither departmental nor administered. Specific reporting requirements apply in relation to assets held in trust (refer to Division 38 of this schedule).

16 *Exemptions from this Schedule*

- 16.1** The Finance Minister may grant a written exemption to the Chief Executive Officer of an agency, or directors of an authority, from any specified requirements of this schedule.
- 16.2** An exemption may be granted subject to conditions, including a requirement for alternative forms of disclosure.
- 16.3** The Chief Executive Officer or directors must disclose the particulars of any exemptions applied by the entity in the financial statements that were granted under section 16.1 and Division 17.

17 Approved Exemptions

- 17.1** Certain limited exemptions to this schedule apply to entities as specified below.
- 17.2** Section 33.7 constitutes an approved exemption for a for-profit entity or an entity that is a university to elect not to apply the requirements at sections 33.2, 33.3, 33.5 and 33.6 relating to valuation of non-financial assets.
- 17.3** Section 23.1 provides an exemption to for-profit entities from making disclosures under Division 23, however these entities are required to make the necessary disclosures in accordance with AASB 124.
- 17.4** Section 44.3 provides an exemption to PFCs and GBEs allowing them to apply any of the three recognition options for recognising actuarial gains and losses for defined benefit plans as outlined in AASB 119. All other entities are to apply the direct to equity option of recognising actuarial gains and losses for defined benefit plans as outlined in AASB 119.
- 17.5** The Australian Office of Financial Management (AOFM) is excluded from the requirement to present the schedule of administered items and associated administered notes required by section 85.1 and Annexure A. However, AOFM must instead adhere to the statement of comprehensive income reporting requirements of AASB 101.
- 17.6** In accordance with section 38.4, intelligence and security agencies, defence agencies and prescribed law enforcement agencies are exempt from making disclosures under Division 38.
- 17.7** The Reserve Bank of Australia is not required to prepare financial statements in the format prescribed by Annexure A. The Reserve Bank of Australia may determine the format of the financial statements to the extent that it applies generally accepted industry reporting principles and applicable AAS.
- 17.8** The Future Fund is exempt from presenting the financial statements required by this schedule and Annexure A, on the condition that:
- (a)** the Future Fund presents its financial statements as a single entity;
 - (b)** the financial statements are presented in a format consistent with that used in the funds management industry and applying applicable AAS;
 - (c)** the financial statements for the Future Fund contain sufficient information to ensure appropriate accountability and transparency, consistent with that applying to general purpose financial statements;
 - (d)** the Future Fund present such additional disclosures as required in Division 81, Part H and Part J, to the extent that they are relevant to the Future Fund's operations; and
 - (e)** to the extent that there is a conflict between paragraph (b) and paragraphs (c) and (d), paragraphs (c) and (d) will have precedence.

- 17.9** The term Future Fund refers collectively to the Board of Guardians and the Future Fund Management Agency as well as the Future Fund itself including the investments and special account constituted under the *Future Fund Act 2006*.
- 17.10** In the presentation of the financial statements required under the *Aboriginal and Torres Strait Islander Act 2005*, the Aboriginal and Torres Strait Islander Land Account (Land Account) is exempt from the following items in this schedule:
- (a) Part G and the administered disclosures in Annexure A;
 - (b) Part I to the extent that the Land Account has no appropriation transactions and balances other than through its special account;
 - (c) Division 121 to the extent that the Land Account does not have any defined outcomes; and
 - (d) Division 122 to the extent that the Land Account has not made any payments specified in that Division.
- 17.11** The Land Account is required to present its administered activities in departmental format as illustrated in Annexure A. The accounting policy note must clearly state that all activities are administered.
- 17.12** Other entities that include the activities of the Land Account must continue to comply with this schedule in the preparation of their financial statements.
- 17.13** In the presentation of the financial statements required under the *Aboriginal Land Rights (Northern Territory) Act 1976*, the Aboriginals Benefit Account is exempted from the items listed in section 17.10 under the same conditions imposed on the Land Account in sections 17.11 and 17.12.
- 17.14** The Australian Reinsurance Pool Corporation (ARPC) is not required to prepare financial statements in the format prescribed by Annexure A. ARPC may determine the format of the financial statements to the extent that it applies generally accepted industry reporting principles and applicable AAS.
- 17.15** The Australian National University (ANU) is exempt from the requirements of Division 18 and the format of the statement of comprehensive income in Annexure A, on the condition that the ANU presents that statement in accordance with the Financial Statement Guidelines for Australian Higher Education Providers required by the Department of Education, Employment and Workplace Relations to the extent those Guidelines are are not inconsistent with AAS.

Part D STATEMENT OF COMPREHENSIVE INCOME (Excluding Appropriations)

18 *Statement of Comprehensive Income*

- 18.1 Entities must present all items of income and expense recognised in a period in a single statement of comprehensive income.
- 18.2 Not-for-profit entities must adopt the Net Cost of Services (NCOS) format for the statement of comprehensive income.

19 *Income – General Information (Excluding Appropriations)*

Grants

- 19.1 For-profit entities must:
- (a) recognise non-monetary government grants at fair value and not at nominal amount;
 - (b) present government grants related to assets as deferred income and not as a deduction to the carrying amount of the asset; and
 - (c) present government grants related to income as income in the statement of comprehensive income and not deduct them from the related expense.

20 *Expenses – General Information*

21 *Borrowing Costs*

- 21.1 Not-for-profit entities are to expense borrowing costs as incurred.

22 *Operating Leases*

- 22.1 Entities must recognise minimum operating lease payments as expenses on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.
- 22.2 Contingent operating lease rentals are recognised as expenses in the period in which they are incurred.

23 Director/Executive Remuneration

- 23.1** Not-for-profit entities must disclose directors' and executive remuneration in compliance with this division. For-profit entities are exempt from making these disclosures but they must make disclosures required by AASB 124.
- 23.2** Division 23 applies to the following groups of individuals:
- (a) senior executives of an agency;
 - (b) senior executives and directors of an authority; and
 - (c) senior executives and directors of the economic entity, where an agency or authority is the parent in the economic entity.
- 23.3** The following must be disclosed in the notes to the financial statements:
- (a) the number of individuals, listed in section 23.2, whose total remuneration for the financial year falls within each successive \$15,000 band, commencing at
 - (i) For all senior executives – \$145,000, with all senior executives whose total remuneration is less than \$145,000 being disclosed in a single band; and
 - (b) For all directors - the band incorporating the lowest paid director; the total remuneration for each group of individuals referred to in paragraph (a); and
 - (c) the aggregate amount of separation and redundancy expenses for the individuals in paragraph (a)(i).
- Senior executives and directors are to be disclosed separately.
- 23.4** The entity that is the recipient of a senior executive or director in a secondment arrangement must disclose the amount of remuneration of the senior executive or director. This is regardless of whether the remuneration is paid by the recipient entity, or otherwise received as resources free of charge by the recipient entity. Entities benefiting from a resources free of charge arrangement must make a statement to the effect that amounts disclosed are included as receipt of goods or services from another Government entity.
- 23.5** An entity that is party to a fee for service contract with a second Australian Government entity and is not the direct employer of the senior executive or director subject to the contract, is exempt from making remuneration disclosures under Division 23 in respect of those arrangements.
- 23.6** The remuneration of star ranked military officers must be disclosed, as required by section 23.3, including any short period of secondment or deployment domestically or overseas.

24 *Remuneration of Auditors*

- 24.1** The financial statements of an entity must include a note giving particulars of the amounts paid or payable to the auditor of the financial statements, for:
- (a)** auditing the financial statements for the reporting period; and
 - (b)** any other audit services provided during the reporting period.
- 24.2** The fair value of any of the services provided free of charge by auditors must be shown in the notes to the financial statements. For the purpose of this Division, performance audits are not taken to be services provided to an entity.
- 24.3** Entities must disclose the extent to which auditor's remuneration is paid to an auditor other than the Auditor-General.

25 *Operating Expenditure*

- 25.1** An entity that is a Collection Institution must report operating expenditure for heritage and cultural assets.

Part E BALANCE SHEET

30 Financial Assets – General Information

31 Receivables for Statutory Charges

31.1 Receivables for statutory charges are to be assessed for impairment under AASB 136.

32 Investment of Surplus Money by Authorities

32.1 The financial statements of an authority must include a note giving particulars of any investments held that are not covered by paragraphs 18(3)(a)-(c) of the CAC Act.

32.2 Details must include the statutory basis for holding additional investments outside those allowed under paragraphs 18(3)(a)-(c) of the CAC Act, including whether an approval has been received by the authority under paragraph 18(3)(d) of the CAC Act.

33 Valuation of Non-Financial Assets

33.1 This Division applies to assets within scope of AASB 116, AASB 138 and AASB 140.

33.2 Unless required by the applicable standard to be measured otherwise, subsequent to initial recognition entities must measure every type of asset listed below at fair value in accordance with AASB 116 or AASB 140 as applicable:

- (a) land;
- (b) buildings;
- (c) heritage and cultural assets (where not intangible assets);
- (d) investment properties; and
- (e) other property, plant and equipment.

33.3 Intangible assets must be valued by class in accordance with AASB 138, at;

- (a) cost, in the absence of an active market; or
- (b) fair value, where an active market exists for all assets in a class.

33.4 The cost model must be applied to specialist military equipment.

33.5 Each non-financial asset listed in section 33.2 or recognised in compliance with section 33.3(b), other than investment property, must be assessed each year to ensure that the carrying amount does not differ materially from fair value as at reporting date. If there is a material difference then revaluation of the entire class is required.

33.6 Investment property must be revalued annually in compliance with AASB 140.

- 33.7 For-profit entities and entities classified as universities may elect not to apply the requirements of sections 33.2, 33.3, 33.5 and 33.6.

34 *Impairment of Non-Financial Assets*

- 34.1 For the purposes of AASB 136, parts of entities are not cash-generating units where they are primarily dependent on funding from appropriations.

35 *Analysis of Non-Financial Assets*

- 35.1 Notes to the financial statements must include the following tables in Annexure A, where applicable:

Table A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment;

Table B: Reconciliation of the Opening and Closing Balances of Investment Property; and

Table C: Reconciliation of the Opening and Closing Balances of Intangibles.

Entities may combine tables where it is considered appropriate to simplify disclosure. Sufficient information and sub-total columns must be disclosed to enable reconciliation of amounts to the corresponding line items disclosed on the balance sheet.

37 *Heritage and Cultural Assets*

- 37.1 Heritage and cultural items must only be recognised as assets where they meet the asset definition and recognition criteria set out in AASB 116.

- 37.2 Only assets that are primarily used for purposes that relate to their cultural, environmental or historical significance are to be accounted for as heritage and cultural assets.

- 37.3 When an entity controls or administers heritage and cultural items that are not recognised as assets, the notes to the financial statements must disclose:

- (a) a description of those items;
- (b) the reason for non-recognition of those items;
- (c) the amount expended to acquire such items during the financial year; and
- (d) the amount of proceeds from the disposal of such items during the financial year.

- 37.4 For the purposes of this Division, the term 'government department' in the Australian Implementation Guidance to AASB 116 means an entity as defined in these Orders.

38 Assets Held in Trust

- 38.1** Financial statements of entities must include a note giving particulars of assets held in trust when the entity is a trustee in a legal trust arrangement. A legal trustee relationship may occur through formal appointment or otherwise.
- 38.2** The note referred to in section 38.1 must contain:
- (a) a summary of the categories of assets held in trust at the end of the reporting period and the purpose for which they are being held in trust;
 - (b) in relation to monetary assets held in trust, an entity is required to disclose:
 - (i) total amount held at the beginning of the reporting period;
 - (ii) total receipts during the reporting period;
 - (iii) total payments during the reporting period;
 - (iv) total amount held at the end of the reporting period; and
 - (c) in relation to non-monetary assets held in trust, an entity is required to disclose the:
 - (i) estimated value at the beginning of the reporting period;
 - (ii) estimated value of assets obtained during the reporting period;
 - (iii) estimated value of assets disposed of during the reporting period; and
 - (iv) estimated value of assets at the end of the reporting period.
- 38.3** Where an estimated value cannot be assigned to a non-monetary asset, either because it is uneconomical or impractical to do so, the details in section 38.2(c) do not need to be disclosed. A statement from the entity asserting that it is uneconomical or impractical is taken to be sufficient evidence. However, an entity must provide additional disclosure stating why estimated values have not been used.
- 38.4** Intelligence and security agencies, defence agencies and prescribed law enforcement agencies are exempt from the disclosure requirements under Division 38.

39 Joint Ventures

- 39.1** Subject to Division 87, entities must recognise interests in jointly controlled entities using the equity method and not proportionate consolidation.

40 Liabilities – General Information

- (a)

41 Liabilities Relating to Dividends

- 41.1 Where legislation provides that a Minister(s) may determine the amount to be paid as a dividend or similar distribution, the entity must recognise a liability for any dividend or distribution determined by a Minister(s) at the date of the Ministerial determination.
- 41.2 Where a wholly-owned Australian Government entity is required to pay its profit for the year to the Australian Government, a liability for the dividend must be recognised for an amount equal to profit for the current year as at the entity's reporting date.
- 41.3 Where an entity is required to pay its profit for the year to the Australian Government after the deduction of certain amounts, a liability for the dividend must be recognised if those amounts are known before the date of completion of the financial statements. If these amounts are not known before this date, the entity should instead disclose a contingent liability.
- 41.4 Entities must account for a return of capital through non-reciprocal payments in accordance with section 101.15 and recognise a reduction in equity in the financial statements in compliance with section 101.16. These are not dividends.

42 Provisions

43 Employee Benefits

Employee Benefits Disclosures

- 43.1 Leave liabilities are to be discounted on the basis of when the benefits are due to be settled.

Long Service Leave

- 43.2 Entities with less than or equal to 1,000 full-time equivalent employees (FTE) may continue to use the shorthand method when calculating their long-service leave liability.
- 43.3 Entities with more than 1,000 FTE are to undertake their own assessments to estimate the liability for long service leave. The method of doing this would be one of the following:
- (a) If an entity's employee profile is demonstrably not materially different from the Australian Government's standard profile, entities may use the shorthand method;
 - (b) Undertake an actuarial assessment; or
 - (c) Use a detailed calculation basis (e.g. employee by employee).

44 Measurement and Disclosure of Post Employment Plans

- 44.1** Entities as agents collecting contributions from employees for the Public Sector Superannuation Scheme (PSS), Commonwealth Superannuation Scheme (CSS) and military superannuation schemes (including the Military Superannuation and Benefits Scheme (MSBS)) must account for, and make the required disclosures in accordance with AASB 119 as if they were contributing to defined contribution plans. In addition, the following must be disclosed:
- (a) that the entity is accounting for the scheme as a defined contribution plan;
 - (b) that at the whole-of-Government level the scheme is a defined benefit plan and is accounted for as such; and
 - (c) a reference to the financial statements in which the defined benefit disclosures have been or will be made.
- 44.2** Entities participating in the PSS and CSS Schemes must reference the administered disclosures made in Finance's financial statements for these schemes. The Finance financial statements do not need to be published for these references to be made.
- 44.3** PFCs and GBEs can apply any of the three recognition options for recognising actuarial gains and losses for defined benefit plans as outlined in AASB 119. All other entities are to apply the direct to equity option.
- 44.4** Plans where the actuarial risk (shortfall risk) falls on the entity must be accounted for as defined benefit plans.
- 44.5** The market yield on 10-year Government bonds must be referenced when determining a discount rate for discounting in compliance with AASB 119.

45 Financial Instruments

- 45.1** Where an active market exists for a financial asset entities must classify the instrument as either at fair value through profit or loss, or available for sale, unless otherwise required under AASB 139.
- 45.2** Where an active market exists for a financial liability, entities must classify the instrument as at fair value through profit or loss, unless otherwise required under AASB 139.
- 45.3** For regular way purchase or sale, trade date accounting must be applied.
- 45.4** Entities must recognise all impairment losses on financial instruments under AASB 139 in an allowance account where permitted, rather than adjusting these losses directly against the carrying amounts of the related assets. A separate account must be maintained for each class of financial asset.
- 45.5** Where AASB 139 allows entities to choose between:
- (a) capitalising gains and losses on hedges into the carrying amount of the underlying assets; and
 - (b) progressively transferring such gains and losses from equity to income or expense,
- entities must adopt (a) in all cases.
- 45.6** Where an entity has held derivative financial instruments that are not part of a qualifying hedging arrangement at any time during the period, it shall disclose:
- (a) management's objectives for holding or issuing those derivatives;
 - (b) the context needed to understand those objectives; and
 - (c) the strategies for achieving those objectives.
- 45.7** Entities must disclose the nominal value of concessional loans as well as the unexpired discount.

Part F OTHER FACE STATEMENTS AND SCHEDULES

50 *Statement of Changes in Equity*

60 *Cash Flow Statement*

- 60.1 Entities must present a cash flow statement using the direct method in compliance with AASB 107.
- 60.2 Dividends paid are to be presented as a component of financing activities.
- 60.3 Administered cash flows to/from the OPA must be shown as adjustments to administered cash held by an agency, rather than as a cash flow related to operating or other activities.

75 *Schedule of Administered Items*

- 75.1 Agencies must prepare a schedule of administered items in compliance with Division 85 of this schedule.

80 *Contingencies*

Schedule of Contingencies

- 80.1 Contingent liabilities and assets that are able to be reliably measured must be classified in accordance with the classes in the schedule of contingencies in Annexure A; where applicable, new classes can be added.
- 80.2 Unquantifiable contingent liabilities and assets that are not included in the schedule of contingencies but may have an impact on the operations of the entity must be explained in a note to the financial statements.
- 80.3 Where there are no contingencies in either the current or the immediately preceding reporting periods, it is not necessary for an entity to include a schedule for such items. Instead, the fact that there are no such items should be disclosed in the notes to the financial statements.
- 80.4 Contingent liabilities and assets are not required to be disclosed where it is expected that disclosure would seriously prejudice the Commonwealth. In these rare cases entities should apply AASB 137 para. 92.

Contingent Liabilities

- 80.5 Entities must disclose departmental contingent liabilities that can be reliably measured (quantifiable) in the schedule of contingencies, in accordance with Annexure A, except where the possibility of any outflow of resources embodying economic benefits is remote. Equivalent disclosure for administered contingent liabilities must be included in the schedule of administered items.
- 80.6 Significant remote contingent liabilities excluded from the schedule of contingencies (as per section 80.5) must be disclosed in the notes to the accounts in accordance with Annexure A.

Contingent Assets

- 80.7** Entities must disclose departmental contingent assets that can be reliably measured (quantifiable) in the schedule of contingencies, in accordance with Annexure A where it is probable that an asset will be recognised in the future. Equivalent disclosure for quantifiable administered contingent assets must be included in the schedule of administered items by agencies.

81 Commitments

- 81.1** Entities must disclose the nature, and where quantifiable, the amount of each class of departmental commitment in a schedule of commitments in accordance with the tables in Annexure A and in compliance with AAS. Equivalent disclosure for administered commitments must be included in the schedule of administered items by agencies (see Division 85).
- 81.2** Where there are no commitments in either the current or the immediately preceding reporting periods, it is not necessary to include a schedule for such items. Instead, the fact that there are no such items should be disclosed in the notes to the financial statements.
- 81.3** Commitments receivable must be disclosed where the inflow of resources is probable.
- 81.4** The amounts reported as commitments payable and commitments receivable must include GST where applicable. A corresponding commitment receivable or payable must be recorded for the net GST amounts recoverable from or payable to the ATO.

82 Asset Additions

- 82.1** Entities must disclose the amount of each class of non-financial non-current departmental asset additions in a schedule of asset additions in accordance with tables in Annexure A. Equivalent disclosure for each class of non-financial non-current administered asset additions must be included in the schedule of administered items by entities.
- 82.2** Where there are no asset additions in either the current or the immediately preceding reporting periods, it is not necessary for an entity to include a schedule of such items. Instead, the fact that there are no such items should be disclosed in the notes to the financial statements.

Part G ADMINISTERED REPORTING

85 Administered Reporting – General Information

- 85.1** The financial statements of an entity that administers activities for the Australian Government, must include a schedule of administered items and associated administered notes.
- 85.2** The schedule of administered items and associated administered notes must:
- (a)** include administered items as defined in Division 15;
 - (b)** be presented in the form prescribed by Annexure A;
 - (c)** include the administered reconciliation table in accordance with section 85.5;
 - (d)** include disclosures in relation to accounting policies in accordance with the relevant AAS; and
 - (e)** use background shading for the schedule of administered items and administered notes.
- 85.3** The schedule of administered items and administered notes must:
- (a)** comply with AASB 1050 and all applicable requirements of this schedule; and
 - (b)** provide in the heading of, or as a footnote to, the schedule of administered items, a brief description of the activities being administered on behalf of the Australian Government.
- 85.4** A statement of changes in equity is not required for administered items.

85.5 The administered reconciliation table must include the following line items:

(a) Opening administered assets less administered liabilities as at 1 July
(b) Adjustment for change in accounting policies
(c) Adjustment for errors
(d) Adjusted opening administered assets less administered liabilities
(e) Plus: Administered income
(f) Less: Administered expenses (non CAC) Payments to CAC Act bodies
(g) Administered transfers to/from Australian Government:
(i) Appropriation transfers from OPA:
<ul style="list-style-type: none"> • Annual appropriations administered expenses (non CAC) • Administered assets and liabilities appropriations • Annual appropriations for payment to CAC Act bodies • Special appropriations (limited) (non CAC) • Special appropriations (limited) paid to CAC Act bodies • Special appropriations (unlimited) (non CAC) • Special appropriations (unlimited) paid to CAC Act bodies
(ii) Transfers to OPA
(iii) Restructuring of administrative arrangements
(h) Transfers to other entities (Finance only)
(i) Transfers from other entities (Finance only)
(j) Administered revaluations taken to/from reserves
(k) Currency translation gain/loss
(l) Closing administered assets less administered liabilities as at 30 June

86 *Income and Expenses Administered on Behalf of Government*

87 *Administered Investments*

87.1 Administered investments must be disclosed in the financial statements by all entities.

87.2 Administered investments, other than those held for sale in accordance with AASB 5, must be measured at fair value.

87.3 Administered investments are not considered controlled by the entities reporting them.

- 87.4** Administered investments must not be consolidated on a line by line basis into an entity's financial statements without approval from the Finance Chief Executive.

88 *Administered Investments Held for Sale*

- 88.1** Where a decision has been made to transfer an administered investment to another entity for sale, but the transfer date is not specified, the asset is assumed to have been transferred on the date of the decision to sell the asset.
- 88.2** Transfers of administered investments held for sale must be transferred at net book value and accounted for in accordance with Division 45 of this schedule.
- 88.3** The costs of sale of an administered investment are expensed as incurred, regardless of whether the investment meets the criteria to be held for sale in AASB 5. Costs of sale are not added to the carrying amount of administered investments but the total selling cost must be disclosed in a note to the financial statements where the selling costs are expensed across a number of financial years.
- 88.4** The following particulars must be disclosed in the administered notes for each sale of an administered investment:
- (a) proceeds from sale;
 - (b) written down value of the asset sold;
 - (c) recognised gain or loss on sale;
 - (d) selling costs incurred; and
 - (e) the net gain or loss after deducting selling costs incurred.

89 *Impairment of Administered Assets*

90 *Liabilities Administered on Behalf of the Government*

- 90.1** The Australian Government has a legal liability to meet the deficits of the PSS, CSS and military superannuation schemes, and as such liabilities related to these schemes are reported in the administered financial statements of Finance (PSS and CSS) and the Department of Defence (military superannuation schemes) on behalf of the Australian Government.

91 *Transfer Payments*

- 91.1** The broad categories of and amounts transferred to recipients of transfer payments must be disclosed in the financial statements.

Part H RESTRUCTURES OF ADMINISTRATIVE ARRANGEMENTS

92 *Restructures of Administrative Arrangements*

- 92.1** Where a restructure of administrative arrangements has occurred during the reporting period, as per AASB 1004, the financial statements of entities must include a note giving particulars of the restructure of administrative arrangements. Separate disclosure must be made for departmental and administered items. Entries need not physically have been processed by the date of transfer for an entity to make the required note disclosure as of that date.
- 92.2** Assets and liabilities transferred as a result of a restructure of administrative arrangements must be recognised at their net book value immediately prior to transfer.
- 92.3** For the purposes of this Division, the term ‘government department’ in AASB 1004 means a Government controlled entity.
- 92.4** The meaning of ‘legislation or other authority’ in the definition of a restructure of administrative arrangements in AASB 1004 is interpreted as meaning one of the following:
- (a)** a decision of the Cabinet or Prime Minister;
 - (b)** an AAO;
 - (c)** an Act of Parliament or a Regulation under an Act; or
 - (d)** a written agreement between the relevant portfolio minister(s) and the Finance Minister or the Prime Minister, as appropriate.

Part I APPROPRIATIONS

100 Recognition of Appropriations – General Information

100.1 Appropriations, including special appropriations, are to be recognised and disclosed, in accordance with this schedule, regardless of whether the relevant amounts are considered to be material in accordance with section 12.2.

101 Recognition of Appropriations - Departmental

101.1 An agency must recognise all departmental appropriations for which it is the responsible agency, as outlined in section 101.3.

101.2 Departmental outputs and departmental non-operating appropriations with the exception of loan appropriations are non-reciprocal transactions for recognition purposes.

101.3 Subject to section 101.10, the earliest point of recognition for a departmental appropriation by an agency is when the agency gains control of the appropriation for accounting purposes as follows, for:

- (a) Departmental outputs and departmental non-operating appropriations (excluding loans) specified in the *Appropriation Acts* at the later of:
 - (i) Date of Royal Assent of the *Appropriation Act*; or
 - (ii) The commencement of the financial period the appropriation relates to. That is, when the appropriation is effective (normally *Appropriation Acts No. 1 and No. 2 and Appropriation (Parliamentary Departments) Act No. 1* are effective from 1 July);
- (b) Loans specified in the *Appropriation Acts*, when drawn down from the OPA for the amount to be received;
- (c) Subject to the revenue recognition principles for special accounts in section 120.3, departmental special appropriations, when the obligation for which the special appropriation exists is incurred to the amount of the obligation;
- (d) section 31 of the FMA Act, for the increased appropriation provided by amounts received that are relevant agency receipts, as the amount is earned (i.e. on an accrual basis); and
- (e) Advance to the Finance Minister (for Parliamentary Departments, the responsible Presiding Officer) specified in the *Appropriation Acts*, the date of the determination.

101.4 Each agency must ensure they have a valid appropriation for all amounts drawn from the OPA for refunds (including repayments) required or permitted by law. These refunds, which include repayments made under

section 28 of the FMA Act, must be recognised and/or disclosed under their valid appropriation, and as required by **section 104.20**.

Measurement

101.5 For departmental output appropriations specified in the *Appropriation Acts*, the full amount appropriated is to be recognised as income in the year of appropriation, as adjusted by certain current year formal additions and reductions listed at **section 101.13**. Additions and reductions listed at **section 101.13** are recognised as adjustments to income, except where an alternative treatment is required under AAS.

Departmental Appropriations Specified in Appropriation Acts

101.6 Subject to **section 101.7**, departmental non-operating appropriations must be recognised and disclosed at the amounts in the *Appropriation Acts*, adjusted, where applicable, in accordance with **section 101.13**.

101.7 Equity injections, loans and previous years' outputs must be recognised in compliance with the following sections for each item. These entries must be adjusted only by applicable current year formal additions and reductions listed at **section 101.13**.

101.8 Equity injections must be recognised as a contribution by owners, increasing contributed equity in full from the commencement of the financial year to which the appropriation applies irrespective of when drawn down. Appropriations for equity in Acts passed after the commencement of the period for which the appropriation applies will be recognised from the date of Royal Assent.

101.9 Loan appropriations must be recognised as increases in borrowings. They are not revenue.

101.10 Where additional work is requested by Government with funding to follow in the subsequent period, as previous years' outputs, the agency must record the funding and an appropriation receivable in the year of agreement for the amount agreed, so long as the transaction is appropriately evidenced. Evidence will include at a minimum, written Ministerial agreement. The subsequent appropriation for previous years' outputs will reduce the appropriation receivable.

101.11 When an agency transfers cash, for which it has a valid appropriation, to the OPA, but does not relinquish the right to redraw those amounts, the agency must account for this by increasing appropriations receivable.

Adjustments to Current Year Departmental Appropriations

101.12 Formal additions or reductions to recognition of departmental appropriations as outlined in **section 101.13**, occur when an agency has gained or lost the capacity to control the appropriation. Formal additions or reductions necessitate adjustments to recognition and/or disclosure of appropriations to the extent they have not already resulted in adjustments in previous years.

101.13 Departmental appropriations for the current year may only be adjusted by formal additions or reductions in the current year in relation to the

appropriations. To be a formal addition or reduction, the gain or loss of control event, as outlined below, must be evidenced in writing from the appropriate authority. Formal additions and reductions are as follows:

- (a) Annual appropriations increased by the operation of section 31 of the FMA Act;
- (b) transfers of appropriation under section 32 of the FMA Act;
- (c) other amounts determined by the Finance Minister (or delegate) or an agency Minister or Presiding Officer under Part 3 Adjusting appropriation items of *Appropriation Acts*;
- (d) adjustments as stipulated by any agreement that provides for additional revenue for over-delivery or a reduction of revenue for under-delivery, such as purchasing, workload or other agreements, as well as funding arrangements that are specifically designed to not financially advantage or disadvantage an entity (appropriation on a no-win/no-loss basis);
- (e) adjustments made as a result of a decision by the Government, for an agency to provide additional outputs during the current financial period that will be provided for in the subsequent financial period or to provide fewer outputs where the related funding is to be withdrawn; and/or
- (f) all other adjustments made as a consequence of a decision of the Cabinet or the Prime Minister.

101.14 The agreements referred to in section 101.13(d) must:

- (a) set out one or more quantifiable deliverable(s) and/or a specific amount of appropriation relating to each; and
- (b) be approved by, or arise from, Ministerial or Cabinet decisions prior to the funding being given.

Equity Returns and Adjustments

101.15 Departmental equity returns must be recognised as a return of capital by adjusting contributed equity and not as a reduction in, or refund of, revenue. Entities shall account for these payments as a reduction in contributed equity from the time the return of capital is paid.

Departmental equity returns occur:

- (a) where an agency relinquishes control of funds which had been appropriation revenue in a previous financial year; or
- (b) by making a non-reciprocal payment to the OPA other than as a dividend referred to in Division 41.

101.16 Reductions in contributed equity under section 101.15 are recognised in the financial statements of the agency:

- (a) at the date the appropriation amount is reduced as a consequence of Government policy;
- (b) at the date of effect of a Ministerial direction;

- (c) at the date of the determination reducing a departmental appropriation in accordance with annual *Appropriation Acts*; or
- (d) at the date that payment is made in all other cases.

Investment of Funds

- 101.17** Each agency must recognise and/or disclose all public money invested in authorised investments under section 39 of the *FMA Act* or surplus funds under section 18 and section 19 of the *CAC Act* in Table E (appropriately modified) in section 104.25. All money invested under a special account must also be disclosed in accordance with Division 120 of this schedule.
- 101.18** Where investments are made under an Act of Parliament other than section 39 of the *FMA Act*, the same format as Table E in section 104.25 should be followed. The name of the relevant Act and section under which the investment is made must be noted. The title of the table may be amended, e.g. for authorities.

102 Recognition of Appropriations - Administered

- 102.1** An agency must recognise all administered appropriations for which it is the responsible agency, as outlined below, in the administered reconciliation table (refer section 85.5). Administered appropriations are not to be recognised as revenue in the schedule of administered items.
- 102.2** The earliest point of recognition for an administered appropriation by an agency for accounting purposes is as follows, for:
- (a) Administered appropriations, administered non-operating appropriations, administered special appropriations, when it is drawn down to an agency's bank account for payment against the appropriation; and
 - (b) other amounts determined by the Finance Minister (or delegate) or an agency Minister or Presiding Officer under Part 3 Adjusting appropriation items of the *Appropriation Acts*, the date stated in the determination, or if there is none stated, then the date of the determination.
- 102.3** Agencies must ensure that they have a valid appropriation for all amounts drawn from the OPA for refunds (including repayments) required or permitted by law. These refunds, which include repayments made under section 28 of the *FMA Act*, must be recognised and/or disclosed under their valid appropriation, and as required by section 104.20.

103 Recognition of Appropriations – CAC Entities

104 Disclosure of Appropriations

104A Disclosure - General

- 104.1** Agencies must make the disclosures in tabular form in the notes to the financial statements required for all appropriations identified in section 101.3, applying to departmental and administered items, pursuant to Tables A1 to G in subdivision 104B.
- 104.2** Where the responsible agency for the appropriation provides drawing rights to another agency (the agent) to act on its behalf to expend the appropriation, the agent agency will disclose the information required by Table G in section 104.29.
- 104.3** For special appropriations, a table must be prepared by agencies for each Act authorising the appropriation in accordance with subdivision 104B or alternatively an agency can present each special appropriation as an additional column to the table.
- 104.4** For special appropriations, where an appropriation has not been drawn on in the current and the previous year, in place of completing the tables in subdivision 104B, an agency may elect to make an abbreviated disclosure that includes all of the following:
- (a) whether the special appropriation is departmental or administered;
 - (b) the legislative provision that provides the authority for the special appropriation;
 - (c) the outcomes it is associated with;
 - (d) the fact that the special appropriation was not drawn on in the current or previous year; and
 - (e) for limited special appropriations, the balance remaining available.
- 104.5** The responsible agency is to include the relevant details of its special appropriations in the following elements of its financial statements:
- (a) for administered special appropriations:
 - (i) administered expenses as part of the schedule of administered items;
 - (ii) administered assets and liabilities as part of the schedule of administered items;
 - (iii) administered cash flows as part of the schedule of administered items;
 - (iv) administered reconciliation table in accordance with section 85.5;
 - (v) appropriation Tables C, D, E and F in subdivision 104B (as appropriate); and
 - (vi) where applicable, full disclosure of the relationship between the responsible agency and the agency paying money from the CRF.

- (b) for departmental special appropriations:**
 - (i) departmental revenues and expenses as part of the statement of comprehensive income;**
 - (ii) departmental assets and liabilities as part of the balance sheet;**
 - (iii) departmental cash flows as part of the cash flow statement;**
 - (iv) appropriation Tables C, D, E and F in subdivision 104B (as appropriate); and**
 - (v) where applicable, full disclosure of the relationship between the responsible agency and the agency paying money from the CRF.**

104.6 The amounts shown in the lines of the table for the annual *Appropriation Acts* (and limited special appropriations legislation) must be the same as the amounts set out in those Acts.

104.7 Where there are material variances between the cash payments for the reporting period and the amount appropriated, or otherwise authorised, agencies must provide an explanation of those variances below the relevant table.

104.8 The availability of any un-drawn non-operating appropriations must be disclosed in the notes to the financial statements.

104.9 The amounts shown in the lines for the Budget Estimates for unlimited special appropriations legislation must use the latest estimates from the 2010-11 budget papers, and be based on an agency's estimate of payments where eligibility is established.

104.10 Special appropriations under sections 28 and 39 of the FMA Act are to be reported by the agency making the payment from the CRF. Additional disclosure is required by Tables D and E in sections 104.20 and 104.25 respectively.

104.11 Where an agency, that is not the responsible agency, has paid money out of the CRF from a special appropriation or an annual appropriation:

- (a) the responsible agency must disclose the name of the agency to which it has given authority to act as its agent and apply the reporting requirements outlined in this division, namely disclosing the transactions in its face statements and appropriations note; and**
- (b) the agency that has paid money out of the CRF against an appropriation must disclose the name of the responsible agency and apply the reporting requirements outlined at section 104.12.**

- 104.12** An agency paying money out of the CRF on behalf of a responsible agency against a special appropriation or annual appropriation must include relevant details of the appropriation as a separate note in its financial statements as follows:
- (a) full disclosure of the relationship between the agency paying from the CRF and each responsible agency; and
 - (b) for each special appropriation or annual appropriation, the amount of receipts, subsequent payments from the CRF and the resulting balance of any money held using Table G in section 104.29.
- 104.13** Where an agent pays money out of the CRF on behalf of the responsible agency, the responsible agency must ensure that systems and processes are in place to enable appropriate reporting of the appropriation.

104B Appropriations Tables

- 104.14** Items in sections 104.15 and 104.16 must be recorded on a cash basis, except for items marked with an asterisk (*). These items must be reported on an accrual basis.
- 104.15** Agencies must report the information contained in *Table A1 Acquittal of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations* and *Table A2 Acquittal of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations (Reduction in Administered Items)* as follows:
- (a) **Table A1 must include information on:**
 - (i) **administered expenses by outcome and payments to CAC Act bodies;**

- (ii) total departmental outputs;
- (iii) total of (i) and (ii); and
- (iv) the following mandatory line items in the sequence listed below, if applicable:

(A)	Balance brought forward from previous period (<i>Appropriation Acts</i>)
	<i>Appropriation Act:</i>
(B)	<i>Appropriation Act (No. 1, 3&5) 2009-2010 as passed</i>
(C)	[Other annual appropriation acts as passed] (show each Appropriation Act as a separate line item)
(D)	Appropriations reduced (<i>Appropriation Act</i> sections 10, 11 & 12)
(E)	Advance to the Finance Minister (<i>Appropriation Act</i> section 13)
(F)	Indigenous Employment Special Account receipts (<i>Appropriation Act</i> section 14)
	<i>FMA Act:</i>
(G)	Repayments to the Commonwealth (<i>FMA Act</i> s30)
(H)	*Appropriations to take account of recoverable GST (<i>FMA Act</i> s30A)
(I)	Relevant agency receipts (<i>FMA Act</i> section 31)
(J)	Transfer of agency functions (<i>FMA Act</i> section 32)
(K)	Total appropriation available for payments
(L)	Cash payments made during the year (GST inclusive)
(M)	Appropriations credited to special accounts (GST exclusive)
(N)	Balance of authority to draw cash from the CRF for ordinary annual services appropriations and as represented by: <ul style="list-style-type: none"> (i) Cash at bank and on hand (ii) *Departmental appropriations receivable (iii) *Undrawn, unlapsd administered appropriations (iv) *Net GST payable to/from ATO (v) *Adjustments under section 101.13 of the Finance Minister's Orders not reflected above
(O)	Total as at 30 June

- (b) **Table A2 must include information on:**
- (i) **administered expenses by outcome and total; and**
 - (ii) **the following mandatory line items in the sequence listed below, if applicable:**

<i>Reduction in administered items</i>	
(A)	Total administered items appropriated 2009-2010
(B)	Less administered items required by the agency as per <i>Appropriation Act</i> section 11:
	(i) <i>Appropriation Act (No. 1) 2009-2010</i>
	(ii) <i>Appropriation Act (No. 3) 2009-2010</i>
	(iii) <i>Appropriation Act (No. 5) 2009-2010</i>
	(iv) [Other annual appropriation acts as passed] (show each <i>Appropriation Act</i> as a separate line item)
	(v) Total administered items required by the agency
(C)	Total reduction in administered items - effective 2010-2011

104.16 Agencies must report the information contained in Table B1 *Acquittal of Authority to Draw Cash from the CRF for Other than Ordinary Annual Services* and Table B2 *Acquittal of Authority to Draw Cash from the CRF for Other than Ordinary Annual Services (Reduction in Administered Items)* as follows:

- (a) **Table B1 must include information on:**
- (i) **state, ACT, NT and local government items by outcome;**
 - (ii) **New Administered Expenses related to each outcome;**
 - (iii) **equity injections;**
 - (iv) **loans;**
 - (v) **previous years' outputs;**
 - (vi) **administered assets and liabilities;**
 - (vii) ***CAC Act* body payment items;**
 - (viii) **total of (i) to (vii); and**
 - (ix) **the following mandatory line items in the sequence listed below, if applicable:**

(A)	Balance brought forward from previous period (<i>Appropriation Acts</i>)
	<i>Appropriation Act:</i>
(B)	<i>Appropriation Act (No. 2, 4&6) 2009-2010</i>
(C)	[Other annual appropriation acts as passed] (show each <i>Appropriation Act</i> as a separate line item)
(D)	Appropriations reduced (<i>Appropriation Act</i> sections 12, 13&14)

(E)	Advance to the Finance Minister (<i>Appropriation Act section 15</i>)
	<i>FMA Act:</i>
(F)	Repayments to the Commonwealth (<i>FMA Act section 30</i>)
(G)	*Appropriations to take account of recoverable GST (<i>FMA Act s30A</i>)
(H)	Transfer of agency functions (<i>FMA Act section 32</i>)
(I)	Total appropriations available for payments
(J)	Cash payments made during the year (GST inclusive)
(K)	Appropriations credited to special accounts (GST exclusive)
(L)	Balance of authority to draw cash from the CRF for other than ordinary annual services appropriations and as represented by: <ul style="list-style-type: none"> (i) Cash at bank and on hand (ii) *Appropriation receivable (iii) *Undrawn, unlapsd administered appropriations (iv) *Net GST payable (to)/from ATO (v) *Adjustments under <u>section 101.13</u> of the Finance Minister's Orders not reflected above
(M)	Total as at 30 June

- (b) Table B2 must include information on:**
- (i) state, ACT, NT and local government items;**
 - (ii) New Administered Expenses related to each outcome;**
 - (iii) total of (i) and (ii); and**
 - (iv) the following mandatory line items in the sequence listed below, if applicable:**

<i>Reduction in administered items</i>	
(A)	Total administered items appropriated 2009-2010
(B)	Less administered items required by the agency as per <i>Appropriation Act section 12</i>: <ul style="list-style-type: none"> (i) <i>Appropriation Act (No. 2) 2009-2010</i> (ii) <i>Appropriation Act (No. 4) 2009-2010</i> (iii) <i>Appropriation Act (No. 6) 2009-2010</i> (iv) [Other annual appropriation acts as passed] (show each Appropriation Act as a separate line item) (v) Total administered items required by the agency
(C)	Total reduction in administered items - effective 2010-2011

104.17 Agencies must report the information contained in Table C *Acquittal of Authority to Draw Cash from the CRF - Special Appropriations (Unlimited Amount)* as follows:

- (a) **Table C must include information on:**
- (i) **particulars of legislation providing appropriation (including purpose of the appropriation); and**
 - (ii) **the following line items in the sequence listed below:**

(A)	Cash payments made during the year
(B)	Appropriations credited to special accounts
(C)	Repayments to the Commonwealth (net) (<i>FMA Act section 30</i>)
(D)	Total charged to appropriation
(E)	Estimated actual

104.18 Agencies must disclose separately in Table C (section 104.17) for each Act, current as at reporting date. Entities must disclose, in the heading or by way of footnote:

- (a) **whether the special appropriation is departmental or administered; and**
- (b) **the outcome with which it is associated.**

Agencies must disclose all unlimited special appropriations in this format, excluding those unlimited special appropriations required to be disclosed under Tables D and E in sections 104.20 and 104.25 respectively.

104.19 Where line items (D) and (E) of Table C are prepared on a different basis for GST purposes, agencies must disclose whether these amounts are GST inclusive or exclusive.

104.20 Agencies must report the information contained in Table D *Acquittal of Authority to Draw Cash from the CRF - Special Appropriations (Refund Provisions)* as follows:

- (a) **Table D must include information on:**
- (i) **particulars of legislation providing appropriation (including purpose); and**
 - (ii) **the following line items, if applicable, in the sequence listed below:**

(A)	Cash payments made during the year
(B)	Appropriations credited to special accounts
(C)	Repayments to the Commonwealth (net) (<i>FMA Act section 30</i>)
(D)	Total charged to special appropriation
(E)	Budget Estimate (listing each other legislative provision relating to payments included in line (A))
(F)	Budget Estimate (<i>FMA Act section 28</i>)

- 104.21** Where an agency has not used section 28 of the *FMA Act* or any other legislative provision allowing for refunds to be paid, that agency may make the following statement in the notes to their financial statements, in place of disclosing Table D in section 104.20: For the periods 2008-09 and 2009-10, (agency) has not used section 28 of the *FMA Act* or any other legislative provision allowing for refunds to be paid.
- 104.22** An agency may choose to disclose the information required by Table D in a separate table for each legislative provision, rather than combined in the one table, provided that all repayments using section 28 of the *FMA Act*, or other legislative provisions for repayments, are disclosed.
- 104.23** Line (A) Cash payments made during the year, Table D, in section 104.20, is an aggregate of the payments made under the legislative provisions reported in the table.
- 104.24** Where line item (D) of Table D is prepared on a different basis to line items (E) and (F) for GST purpose, agencies must disclose whether these amounts are GST inclusive or exclusive.
- 104.25** Agencies must report the information contained in Table E *Acquittal of Authority to Draw Cash from the CRF - Special Appropriations* (section 39 of the *FMA Act*) as follows:
- (a) Table E must include information on:
 - (i) investment of public money; and
 - (ii) the following line items in the sequence listed below:
- | | |
|-----|---|
| (A) | Amount invested brought forward from previous period |
| (B) | Prior year investments redeemed in current year |
| (C) | Investments made during the year |
| (D) | Redemptions of current year investments (gross) |
| (E) | Amount invested carried to the next period (sum of the above) |
| (F) | Budget Estimate |
- 104.26** Where an agency has a delegation but has not used section 39 of the *FMA Act*, that agency may make the following statement in place of disclosing Table E in section 104.25: For the periods 2008-09 and 2009-10, (agency) has not used section 39 of the *FMA Act*.

104.27 Where line items **(E)** and **(F)** of Table E are prepared on a different basis for GST purpose, agencies must disclose whether these amounts are GST inclusive or exclusive.

104.28 Agencies must report the information contained in Table F *Acquittal of Authority to Draw Cash from the CRF - Special Appropriations (Limited Amount)* as follows:

- (a) Table F must be reported by appropriation type, on a cash basis, except for items marked with an asterisk (*) which must be reported on an accrual basis.
- (b) Table F must include information on:
 - (i) particulars of legislation providing appropriation (including purpose); and
 - (ii) the following line items in the sequence listed below:

(A)	Amount brought forward from previous period
(B)	Appropriation for reporting period
(C)	Repayments to the Commonwealth (net) (<u>FMA Act section 30</u>)
(D)	Appropriations to take account of recoverable GST (<u>FMA Act section 30A</u>)
(E)	Available for payments
(F)	Cash payments made during the year (GST inclusive)
(G)	Appropriations credited to special accounts
(H)	Appropriations lapsed
(I)	Amount available carried to the next period and as represented by: <ul style="list-style-type: none"> (i) Cash (ii) *Departmental appropriation receivable (iii) * Net GST payable to/from ATO (iv) *Undrawn, unlapsd administered appropriations
(J)	Total

104.29 Agencies must report the information contained in Table G *Disclosure by Agent in Relation to Annual and Special Appropriations* as follows:

- (a) Table G must include information on:
 - (i) departmental and administered items for each responsible agency that the agent acts on behalf of and total;
 - (ii) name of legislation providing the appropriation; and
 - (iii) the following line items in the sequence listed below, if applicable:

(A)	Total receipts
(B)	Total payments

(C) Balance of receipts and payments for departmental, and for administered, for each responsible agency

Part J OTHER DISCLOSURES

120 *Special Accounts*

- 120.1** Special accounts must have a positive balance at all times. The balance represents the appropriation available to be drawn from the CRF.
- 120.2** Agencies must disclose information on special accounts in accordance with this schedule for departmental and administered items, regardless of whether the relevant amounts are considered to be immaterial.
- 120.3** Amounts deposited in a special account from external parties must be recognised when the agency controls the funding as income/assets. These amounts are to be recognised in the statement of comprehensive income and balance sheet on an accrual basis.
- 120.4** The special account is reflected in the agency's departmental or administered financial statements as appropriate unless it is classified as special public money, in which case it is reflected in the notes only.
- 120.5** Transfers of departmental appropriations and/or administered appropriations, which have already been received and recognised, to a special account are not income recognised/disclosed in the financial statements, but are an internal transfer.
- 120.6** Agencies must make the special account disclosures as required in Table A (section 120.7) on a cash basis. Agencies can disclose each special account in a separate table or each as a new column to the table.
- 120.7** Agencies must report the information contained in the following table in relation to special accounts in this sequence if applicable:

Table A *Special Accounts*

(a)	Balance brought forward from previous period
(b)	Appropriation for reporting period
(c)	Costs recovered
(d)	Appropriations to take account of recoverable GST (<i>FMA Act section 30A</i>)
(e)	Realised investments
(f)	Other receipts
(g)	Total increase
(h)	Available for payments
(i)	Payments made
(j)	Repayments
(k)	Investments made from the special account (<i>FMA Act section 39</i>)
(l)	Total decrease

<p>(m) Balance carried to the next period (excluding investment balances – refer Table B) and as represented by:</p> <p style="padding-left: 20px;">(i) Cash – held in the OPA</p> <p style="padding-left: 20px;">(ii) Cash – held by the agency;</p>
<p>(n) Total balance carried to the next period</p>

120.8 Agencies must report the information contained in the following table in relation to special accounts investment of public money in this sequence if applicable:

Table B *Special Accounts Investment of Public Money*

(a) Full official title of Special Account: Investment of Public Money under <u>section 39 of the FMA Act</u>
(b) Opening balance
(c) Investments made:
<p style="padding-left: 20px;">(i) From special account</p> <p style="padding-left: 20px;">(ii) Other</p>
(d) Investment income
(e) Transaction charges
(f) Investments realised
(g) Closing Balance

120.9 Investments made through the special account are generally external to the CRF and while the amounts form part of the balance of the special account, they are not included in the balance for the purposes of disclosing in Table A *Special Accounts*, they are disclosed in Table B *Special Accounts Investment of Public Money*.

120.10 Agencies that invest amounts that form part of the balance of a special account must include an overview of the investment policy used.

120.11 Agencies that have special accounts that have not been used during the current year and comparative year, regardless of whether they have nil or positive balances, may make the following disclosures in the notes to the financial statements instead of preparing Tables A and B:

- (a) the special account's title;**
- (b) whether the account is departmental, administered or special public money in nature;**
- (c) the purpose of the special accounts;**
- (d) the authority under which the special account was established;**
- (e) a statement noting the special account has not been used during the current year and comparative year; and**
- (f) the special account's balance.**

120.12 Where investments are made under an Act of Parliament other than section 39 of the FMA Act, the same format as Table B in section 120.8

should be followed. The name of the relevant Act and section under which the investment is made must be noted.

120.13 Agencies must report money subject to trust law that form part of the balance of a special account adjacent to the special account disclosure.

120.14 Special accounts that have been determined as business operations pursuant to section 5A of the *Financial Management and Accountability Regulations 1997* are required to comply with section 7.1 of this schedule and prepare separate financial statements.

121 *Reporting of Outcomes*

121.1 Entities in the GGS must disclose outcomes related to departmental and administered items in accordance with this schedule. Entities that are not in the GGS must disclose total revenue from activities subject to cost recovery.

121.2 GGS entities must report the information contained in Table A *Net Cost of Outcome Delivery* as follows:

(a) Table A must include information on:

- (i) the net cost of delivery, by outcome;
- (ii) payments to *CAC Act* bodies;
- (iii) total of (i) and (ii); and
- (iv) the following mandatory line items in the sequence listed below, if applicable:

(A) Expenses
(i) Administered
(ii) Departmental
(iii) Total
(B) Income from non-government sector
(i) Administered
a. Activities subject to cost recovery
b. Other
c. Total administered
(ii) Departmental
a. Activities subject to cost recovery
b. Other
c. Total departmental
(iii) Total income from non government sector
(C) Other own-source income
(i) Administered

(ii) Departmental
(iii) Total other external income
(D) Net cost/(contribution) of outcome delivery

121.3 GGS entities must report the information in Table B *Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcomes* as follows:

- (a) Table B must include information on:
- (i) expenses and income, by outcome and total;
 - (ii) assets and liabilities, by outcome, with the exception of assets and liabilities that are not reliably attributable to outcomes, which must be disclosed as not attributed, and total; and
 - (iii) the following mandatory line items in the sequence listed below, if applicable:

(A) Departmental expenses
(i) Show each relevant major class
(ii) Total departmental expenses
(B) Departmental income
(i) User charges
(ii) Income from government
(iii) Show each other relevant major class of income
(iv) Total departmental income
(C) Departmental assets
(i) Show each relevant major class
(ii) Total departmental assets
(D) Departmental liabilities
(i) Show each relevant major class
(ii) Total departmental liabilities

121.4 GGS entities must report the information contained in Table C *Major Classes of Administered Income, Expenses, Assets and Liabilities by Outcome* as follows:

- (a) Table C must include information on:
- (i) expenses and income, by outcome and total;
 - (ii) assets and liabilities, by outcome, with the exception of assets and liabilities that are not reliably attributable to

outcomes, which must be disclosed as not attributable, and total; and

(iii) the following mandatory line items in the sequence listed below, if applicable:

(A)	Administered expenses
	(i) Show each relevant major class
	(ii) Total administered expenses
(B)	Administered income
	(i) Show each relevant major class
	(ii) Total administered income
(C)	Administered assets
	(i) Show each relevant major class
	(ii) Total administered assets
(D)	Administered liabilities
	(i) Show each relevant major class
	(ii) Total administered liabilities

121.5 Entities must attribute shared items using a basis that most accurately allocates the total cost, income, asset or liability to each outcome. If this basis differs from that used in preparing the Budget, additional disclosure must be included to explain the variation.

121.6 The attribution method used to apportion shared items must be reliable and must be disclosed in general terms in the text accompanying the Tables.

121.7 Where an outcome changes during the year, entities must:

- (a)** match the changed outcome to accord with the adjusted outcome arrangements approved through the portfolio additional estimates process and published in an *Appropriation Act*;
- (b)** apportion the income and expenses disclosed between the new and former outcomes, so that entities report against the original outcomes up to the date of the change and against the revised outcomes after that date; and
- (c)** report the assets and liabilities disclosed against the former outcomes as at the date of the change, and the new outcomes as at 30 June.

121.8 Outcomes are to be as specified in the *Appropriation Acts* and other applicable documentation relevant to the entity.

121.9 The amount in the total column for departmental and administered expenses in Table A *Net Cost of Outcome Delivery* must agree to the

corresponding total in the entity's statement of comprehensive income or schedule of administered items, respectively.

121.10 Entities must disclose the nature of other external income in Table A *Net Cost of Outcome Delivery* by major class. Where these include intra- or inter-Government charges, such charges must be shown separately.

121.11 The amount in the total column for departmental expenses, income, assets and liabilities in Table B *Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcomes* must agree to the corresponding total in the entity's statement of comprehensive income and balance sheet respectively.

121.12 The amount in the total column for each item in Table C *Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcomes* must agree to the corresponding line item in the agency's schedule of administered items.

122 Compensation and Debt Relief in Special Circumstances

122.1 The financial statements must include a note showing departmental and administered expenses and/or liabilities including nil and immaterial balances, as relevant to the agency, in relation to each of the following:

- (a) Act of Grace payments made under subsection 33(1) of the FMA Act as approved by the Finance Minister (or delegate);
- (b) Tactical Payments Scheme payments made under Part X of the Defence Act 1903 as approved by the Defence Minister (or delegate);
- (c) waivers of amounts owing to the Australian Government, (being amounts that the entity would, but for the waiver, have been entitled to receive on behalf of the Australian Government);
 - (i) pursuant to subsection 34(1) of the FMA Act; or
 - (ii) pursuant to other legislation, which must be specified.
- (d) payments made under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme;
- (e) payments made under approved ex-gratia programs, the nature of which must be identified; and
- (f) payments made in special circumstances relating to APS employment pursuant to section 73 of the PS Act.

122.2 The note must disclose:

- (a) the number of cases and total amount expended during the reporting period under each of these mechanisms specified. Where any of the Act of Grace cases expended during the reporting period include periodical payments for specified periods (paragraph 33(1)(b) of the FMA Act refers), the note must separately identify the number of such cases and the total

amount expended in relation to those cases. In addition, the number of cases and total amount expended must be disclosed by operation for Tactical Payments Scheme payments.

- (b) the number and aggregate present value amount of those cases relating to any provisions at the end of the reporting period under each of these mechanisms specified. This requirement is particularly relevant where cases under the Act of Grace mechanism include periodical payments for specified periods past the reporting date, but may also apply to any of the other mechanisms in particular circumstances.
- (c) The number of cases and aggregate amount for each of the legislative provisions under which waivers have been granted. Each disclosure must indicate the relevant legislative provision (that is, Act and section, subsection or paragraph number).

123 Competitive Neutrality

123.1 Entities that are required to make CN payments under the Commonwealth Competitive Neutrality Policy Statement – June 1996, must explain and separately disclose the amount of each of the following:

- (a) CN – Regulatory Neutrality Expense;
- (b) CN – Debt Neutrality Expense;
- (c) CN – State Tax Equivalent Expense;
- (d) CN – Commonwealth Tax Equivalent Expense;
- (e) CN – Other Expense; and
- (f) CN – Dividend.

ANNEXURE A – FORMS OF FINANCIAL STATEMENTS

Introduction

A.1 The Forms of Financial Statements (Forms) set out the prescriptive content, layout, and formatting requirements for all Australian Government entities in compiling and presenting their annual financial statements in compliance with Schedule 1 and the AAS and associated authoritative requirements. The Forms have been designed to meet common disclosure requirements of agencies and authorities respectively and therefore do not address all disclosure requirements.

Application

A.2 Australian Government entities are required to present all disclosures necessary to give a true and fair view of their results and financial position. Entities are permitted:

- (a) to include further disclosures as they deem appropriate to meet their stakeholders' information needs and be reflective of their operations including those that are required by AAS addressed in A.3 as applicable;**
- (b) not to include components of the Forms that are not relevant to their operations or where no activity in either the current or previous financial year has taken place;**
- (c) to alter or amend the numbering of notes but not their sequencing within the presentation of the financial statements as set out within the Forms except where amendments permitted under (a), and (b) above require such components of the Forms to be inserted, deleted or added, and to ensure the contextual and logical flow of information for stakeholders;**
- (d) to aggregate line items that are not significant in understanding the entity's operations; and**
- (e) to amend disclosures such that they reflect the nature of the entity, its activities, financial results and position as at the reporting date. This includes amending Note 1, so that it appropriately discloses the entity's accounting policies.**

A.3 Entities should be aware that disclosure requirements for the following Standards, legislation and reporting requirements have not been incorporated into the Forms and where relevant must be included in the financial statements of the entity.

Standards, legislation and reporting requirements not addressed include:

- *Corporations Act 2001***
- *AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards***
- *AASB 2 Share-based payment***
- *AASB 3 Business Combinations***

- **AASB 4 Insurance Contracts**
- **AASB 6 Exploration for and Evaluation of Mineral Resources**
- **AASB 8 Operating Segments**
- **AASB 111 Construction Contracts**
- **AASB 112 Income Taxes** with respect to tax effect accounting
- **AASB 119 Employee Benefits** with respect to defined benefit post employment fund disclosures
- **AASB 120 Accounting for Government Grants and Disclosure of Government Assistance**
- **AASB 124 Related Party Disclosures**
- **AASB 127 Consolidated and Separate Financial Statements**
- **AASB 129 Financial Reporting in Hyperinflationary Economies**
- **AASB 133 Earnings per Share**
- **AASB 134 Interim Financial Reporting**
- **AASB 139 Financial Instruments: Recognition and Measurement** with respect to hedge accounting
- **AASB 141 Agriculture**
- **AASB 1023 General Insurance Contracts**
- **AASB 1038 Life Insurance Contracts**
- **AASB 1039 Concise Financial Reports**
- **AASB 1049 Whole of Government and General Government Sector Reporting**
- **AASB 1051 Land Under Roads**
- **AAS 25 Financial Reporting by Superannuation Plans**

This listing is not exhaustive. Compliance with these additional disclosures and AASB interpretations is required where appropriate to present a true and fair view.

Inclusions here:

Forms of Financial Statements for:

- Not-for-Profit FMA and CAC; and
- For-Profit