



Financial Management and Accountability Amendment 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 63(1) of the *Financial Management and Accountability Act 1997*, subsection 193H(1) of the *Aboriginal and Torres Strait Islander Act 2005*, subsection 50B(4) of the *Defence Service Homes Act 1918* and subsection 43(3) of the *Natural Heritage Trust of Australia Act 1997*.

Dated May 27th 2010

Lindsay Tanner
Minister for Finance and Deregulation

1 Name of Orders

These Orders are the *Financial Management and Accountability Amendment Orders (Financial Statements for reporting periods ending on or after 1 July 2009)*.

Note:

These Orders relate to the preparation of financial statements.

2 Commencement

These Orders are taken to have commenced on 1 July 2009.

3 **Amendment to the Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2009)**

Schedule 1 amends the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2009)*.

Schedule 1 Amendments to the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2009)*

- [1] Statement by which the Minister for Finance and Deregulation makes the orders**

remove

subsection 47(1) of the *High Court of Australia Act 1979*

- [2] Schedule 1, section 23**

remove

section 23

add

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.**

23.3A The following must be disclosed in the notes to the financial statements in respect of senior executives:

- (a) the number of individuals included in section 23.2 excluding those only included because of an acting arrangement and those who have not been employed by the entity for the full financial year, whose total remuneration for the financial year is less than \$145,000;**
- (b) the number of individuals included in section 23.2 whose total remuneration for the financial year falls within each successive \$15,000 band, commencing at \$145,000; and**
- (c) the aggregate amount of separation and redundancy expenses for those individuals included in the disclosures required by (a) and (b);**
- (d) For those individuals included in the disclosures required by (a) and (b) – the total remuneration expense and the total remuneration expense split into major categories of employee benefits;**

- (e) For all substantive senior executives (that is, excluding those only included because of an acting arrangement) of an entity as at 30 June, for the total remuneration package band of \$0 to \$145,000 and each successive band of \$15,000 band of total remuneration package:
 - (i) the number of individuals;
 - (ii) the average annualised base salary (including annual leave) of the individuals in that band applicable at 30 June;
 - (iii) average annualised total remuneration package of the individuals in that band applicable at 30 June; and
 - (iv) as a footnote to the disclosures, information about the methods of calculating variable package elements excluded from the amount in (iii).

23.3B The following must be disclosed in the notes to the financial statements in respect of directors:

- (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 the band incorporating the lowest paid director; and
- (b) the total remuneration of directors for the financial year.

23.3C Remuneration of senior executives and directors is 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.

[3] Schedule 1, section 104.15(b)(ii)(B)(v)

substitute

- (v) Total administered items required by the agency as represented by:

(i) spent; and

(ii) retention.

[4] Schedule 1, section 104.16(b)(iv)(B)(v)

substitute

(v) Total administered items required by the agency as represented by:

(i) spent; and

(ii) retention.