



Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 1 July 2010)

I, PENELOPE YING YEN WONG, Minister for Finance and Deregulation, make these Orders under subsection 48(1) of the *Commonwealth Authorities and Companies Act 1997*, subsection 19(3) of the *Anglo-Australian Telescope Agreement Act 1970* and subsection 47(1) of the *High Court of Australia Act 1979*.

Dated 16 March 2011

PENELOPE YING YEN WONG
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 2010)*.

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 are taken to have commenced on 1 July 2010.

3 Financial statements for reporting periods ending on or after 1 July 2010

Schedule 1 sets out the requirements for the preparation of financial statements for the reporting periods ending on or after 1 July 2010 for:

- (a) subclause 2(1) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997*;
- (b) subsection 19(3) of the *Anglo-Australian Telescope Agreement Act 1970*; and
- (c) subsection 47(1) of the *High Court of Australia Act 1979*.

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 2010)* 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 2010

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 2010

TABLE OF CONTENTS

Part A	INTRODUCTION	4
1	Legislative Authority	4
2	Structure.....	4
3	Further Information.....	4
Part B	DEFINITIONS AND ABBREVIATIONS	4
4	Definitions	4
5	Abbreviations.....	10
Part C	APPLICATION AND PRESENTATION	12
6	Commencement	12
7	Applicable Entities.....	12
8	Authoritative Requirements	13
9	Financial Reporting Structure and Form.....	13
10	Simplified Reporting	14
11	Early Adoption of Accounting Pronouncements	15
12	Materiality and Information Disclosure	15
13	Rounding Off	16
14	Certificates	16
15	Departmental and Administered Items: Classification and Reporting	17
16	Exemptions from this Schedule	18
17	Approved Exemptions.....	18
Part D	STATEMENT OF COMPREHENSIVE INCOME	
	(Excluding Appropriations)	20
18	Statement of Comprehensive Income	20
19	Income – General Information (Excluding Appropriations).....	20
20	Expenses – General Information.....	21
21	Borrowing Costs	21
22	Operating Leases	21
23	Director/Executive Remuneration	21
24	Remuneration of Auditors	24
25	Operating Expenditure	24
Part E	BALANCE SHEET	24
30	Financial Assets – General Information	24
31	Receivables for Statutory Charges.....	24
32	Investment of Surplus Money by Authorities	24
33	Valuation of Non-Financial Assets	24
34	Impairment of Non-Financial Assets	25
35	Analysis of Non-Financial Assets	25
37	Heritage and Cultural Assets.....	25
38	Assets Held in Trust	26
39	Joint Ventures	27
40	Liabilities – General Information.....	27

Schedule 1

41	Liabilities Relating to Dividends	27
42	Provisions	27
43	Employee Benefits.....	27
44	Measurement and Disclosure of Post Employment Plans.....	28
45	Financial Instruments	29
Part F	OTHER FACE STATEMENTS AND SCHEDULES	29
50	Statement of Changes in Equity	29
60	Cash Flow Statement.....	29
75	Schedule of Administered Items.....	30
80	Contingencies	30
81	Commitments	31
82	Asset Additions	31
Part G	ADMINISTERED REPORTING.....	32
85	Administered Reporting – General Information	32
86	Income and Expenses Administered on Behalf of Government	32
87	Administered Investments	32
88	Administered Investments Held for Sale.....	32
89	Impairment of Administered Assets	33
90	Liabilities Administered on Behalf of the Government	33
91	Transfer Payments	33
Part H	RESTRUCTURES	33
92	Restructures of Administrative Arrangements.....	33
Part I	APPROPRIATIONS	34
100	Recognition of Appropriations – General Information.....	34
101	Recognition of Appropriations – Departmental	34
102	Recognition of Appropriations – Administered.....	37
103	Recognition of Appropriations – CAC Entities	37
104	Disclosure of Appropriations.....	37
Part J	OTHER DISCLOSURES.....	39
120	Special Accounts	39
121	Reporting of Outcomes	42
122	Compensation and Debt Relief in Special Circumstances	43
123	Competitive Neutrality.....	44
	ANNEXURE A – FORMS OF FINANCIAL STATEMENTS	45

Part A INTRODUCTION

1 *Legislative Authority*

- 1.1 The Finance Minister makes:
- (a) the *Financial Management and Accountability Orders (Financial Statements for Reporting Periods Ending on or after 1 July 2010)* 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 2010)* 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 conventions are used within this schedule:
- (a) major components are parts, denoted by an upper case letter. For example, [Part A](#);
 - (b) parts are broken into divisions, denoted by a whole number. For example, [Division 1](#); and
 - (c) divisions are further broken into sections. For example, [section 1.1](#).

3 *Further Information*

Part B DEFINITIONS AND ABBREVIATIONS

4 *Definitions*

Administrative Arrangements Order (AAO)	The AAO, issued from time to time by the Governor-General, establishes the matters to be dealt with by each Department of State, and the <i>Acts</i> of Parliament to be administered by each Minister.
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Administered Investments	Administered investment is defined for the purpose of this schedule as an interest 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.
Administered Items	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 Division 15 for further information.
Agency	As defined in section 5 of the FMA Act .
Appropriation	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.
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	AAS released by the AASB .
Authority	A Commonwealth authority as defined in section 7 of the CAC Act . Also referred to in this schedule as a <i>CAC Act</i> entity, authority or body.
Business Operation/s	A function or functions within an agency that have been determined to be a business operation pursuant to section 5A of the Financial Management and Accountability Regulations 1997 .
Collection Institutions	Comprise the following entities: <ul style="list-style-type: none"> (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 Australian Constitution .
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 maturity or grace periods before the payment of the principal and/or interest.
Consolidated Financial Statements (CFS)	The CFS for the Australian Government are the annual, end-of-year financial statements prepared under section 55 of the FMA Act and in accordance with AAS. The CFS present the consolidated results for the Australian Government as well as disaggregated information on the various sectors of government (GGS, PNFCs and PFCs).
Cost Recovery	<p>Certain revenues recovered directly from the provision of goods and services (including user charges). Cost recovery does not include:</p> <ul style="list-style-type: none">(a) intra/inter-Government charging;(b) charges by GBEs;(c) competitively neutral commercial charging arrangements;(d) general taxation;(e) repayment of loans to the Australian Government;(f) receipts from asset sales, including sales and licensing of patents or intellectual property, rental of property, royalties or other property related incomes;(g) fines and penalties;(h) payments by customers to non-Australian Government entities where Commonwealth policies may affect prices;(i) receipts from one-off specific policy measures;(j) charges relating to industry-Government partnerships;(k) statutory marketing levies; and(l) fees charged by courts and tribunals.
Departmental Items	Those items that the entity controls that are applied to the production of the entity's own purposes. Refer to Division 15 for further information.
Departmental Supplementation	Supplementation for work agencies were directed by government to undertake in a financial year but after the last date for inclusion in the last set of appropriation Bills prepared for the financial year. Agencies are expected to meet the cost of these activities from their existing appropriations, which will then be replenished by a

departmental appropriation in the following financial year.

Drawdown	An authorised transmission of funds from the OPA to either the respective agency's Official Administered Payments account or Official Departmental account.
Employee	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. (derived from AASB 2 Appendix A)
Entity	Refers to: <ul style="list-style-type: none">(a) an agency;(b) an authority;(c) an 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. For the purpose of this schedule, Commonwealth Companies incorporated under the Corporations Act 2001 do not fall under this definition except to the extent that they form part of an economic entity referred to above.
Finance Briefs	Provide clarification and guidance on the Government's accounting and financial reporting policies as required throughout the year. They are prepared by Finance.
Finance Chief Executive	Secretary of the Department of Finance and Deregulation.
Finance Minister	Minister for the Department of Finance and Deregulation.
Financial Report/Statements	Comprises: <ul style="list-style-type: none">(a) the primary financial statements, schedules and notes required by this schedule; and(b) other certificates, reports and notes which are:<ul style="list-style-type: none">i. prepared in relation to the agency or authority (where the agency or authority is a parent entity, the economic entity comprising the agency or authority and its subsidiaries); andii. attached to or intended to be read with the statements and notes in (a);

but not including the:

- i. auditor's report;
- ii. annual report; or
- iii. additional supplementary information that is not audited.

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.
General Government Sector	Institutional sector comprising all government units and non-profit institutions controlled and mainly financed by government. <i>(Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005, Glossary)</i>
Government Business Enterprises	A Commonwealth authority or Commonwealth company that is prescribed as a GBE under the Commonwealth Authorities and Companies Regulations 1997 .
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 AASB 120 para. 3)
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.
Outcomes	The results, impacts or consequences of actions by the Australian Government on the Australian community that the Government wishes to achieve. For reporting purposes outcomes equate to major activities in AASB 1052 .
Outsider	Any person other than the Commonwealth, an official or a Minister. <i>(FMA Act section 12 (3))</i>
Own-Source Income	For <i>FMA Act</i> agencies, it consists of all income with the exception of annual and special appropriations. It includes FMA Act section 31 revenue and is adjusted for any repayments made under FMA Act section 28 . For <i>CAC Act</i> authorities, it consists of all income except

amounts appropriated to the relevant portfolio agency for payment to the *CAC Act* authority.

Performance Guarantee	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.
Personal Benefit Payments	Current transfers for the benefit of individuals or households (for example, child care and family tax benefits), directly or indirectly, that do not require any economic benefit to flow back to Government.
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.
Public Financial Corporations	Public sector corporations that are engaged in providing financial intermediation services or auxiliary financial services. These entities are listed in the flipchart of FMA Act Agencies / CAC Act Bodies or List of Australian Government Bodies and Governance Relationships as at 1 October 2009 available from Finance's website.
Public Money	As defined in section 5 of the FMA Act .
Redundancy	Termination of employment that 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 movements not reflected in the profit or loss (or surplus or deficit) such as gains on revaluation of assets.
Resources Received Free of Charge	Goods or services received for no or nominal consideration that would otherwise have been purchased and 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.
Special Account	A ledger entry within the CRF that is supported by standing appropriations (FMA Act 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 <i>Act</i> of Parliament for a particular purpose of spending.
Special Public Money	As defined in subsection 16(4) of the FMA Act .
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).
Statutory charges	Non-reciprocal charges imposed by Government.
Subsidy	A grant made that reduces the cost of a good or service.
Transfer Payments	Payments that an agency does not control, but is responsible for transferring to eligible recipients (under legislation or some other authority). 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 grant component of the concessional loan recognised on initial recognition less that portion already recognised in income (i.e., after any subsequent unwinding, or ‘writing back’, of the grant component.)

5 Abbreviations

AAO	Administrative Arrangements Order
AAS	Australian Accounting Standards (issued by the AASB or its predecessor bodies)
AASB	The Australian Accounting Standards Board established under the Australian Securities and Investments Commission Act 2001 ,

or the AAS issued by the Board, as the case requires

AFM	Advance to the Finance Minister
ANAO	Australian National Audit Office
APS	Australian Public Sector (or Service)
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><i>Commonwealth Authorities and Companies Act 1997</i></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><i>Financial Management and Accountability Act 1997</i></u>
FMOs	The <i>Financial Management and Accountability Orders (Financial Statements for Reporting Periods Ending on or after 1 July 2010)</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 2010)</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
PRIMA Forms	PRIMA Forms of Financial Statements
<i>PS Act</i>	<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 2010. 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 2010, the financial reporting requirements set out in this schedule shall apply.

7 Applicable Entities

- 7.1 Financial statements must be prepared for the following:
- (a) each agency and authority that it is not the parent entity in an economic entity;
 - (b) each economic entity, comprising the agency or authority and its subsidiaries; and
 - (c) each business operation.
- 7.2 Where an agency or an authority is the parent entity in an economic entity, it must either:
- (a) prepare parent entity financial statements as well as consolidated financial statements; or
 - (b) disclose parent entity supplementary information as prescribed in [Reg 2M.3.01 of the Corporations Regulations 2001](#) and

[section 23.15\(b\)](#) in a note to the consolidated financial statements of the economic entity.

8 Authoritative Requirements

- 8.1 Where there is a conflict between this schedule and any other authoritative requirements 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. 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 relevant to the preparation of financial statements;
 - (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 This schedule applies to departmental as well as administered items, unless otherwise specified.
- 9.2 The financial statements of each entity must:
- (a) include the primary financial statements, schedules and notes in the form prescribed in Annexure A;
 - (b) be presented in the English language and Australian dollars;
 - (c) for entities that operate on a for-profit basis, disclose that fact;
 - (d) disclose comparative information, unless not required by this schedule or AAS;
 - (e) include sub-total rows and/or columns (as prescribed in Annexure A) 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); and

- (f) be presented in the following order:
 - (i) statement required by [Division 14](#);
 - (ii) primary financial statements (statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement); and
 - (iii) schedules and notes to the financial statements.

9.3 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 this Division 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 following line items in the statement of comprehensive income may be omitted:

- (a) surplus (deficit) attributable to the Australian Government;
- (b) surplus (deficit) attributable to any non-controlling interest;
- (c) total comprehensive income (loss) attributable to the Australian Government; and
- (d) total comprehensive income (loss) attributable to any non-controlling interests.

Notes to the Financial Statements

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.

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 Compensation and Debt Relief in Special Circumstances (see [Division 122](#)), an entity that has no transactions

in either the current reporting or any comparative period, must disclose that fact by way of a note.

- 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, that fact can be disclosed in the notes to the financial statements.
- 10.7** Entities may combine tables required in [Division 35](#) 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.

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*

General Rounding Rule

- 13.1 Subject to the exceptions listed at [sections 13.3 to 13.5](#), amounts in the financial statements may be rounded off as follows:
- (a) to the nearest dollar;
 - (b) where a reporting entity has assets, liabilities, expenses, income, commitments or contingencies in excess of \$10 million, to the nearest \$1,000, unless that amount is less than \$500, in which case the amount should be rounded to zero; or
 - (c) where a reporting entity has assets, liabilities, expenses, income, commitments or contingencies in excess of \$1 billion, to the nearest \$1 million, unless the amount is less than \$500,000, in which case the amount should be rounded to zero.
- 13.2 The rounding thresholds in [section 13.1](#) must be applied:
- (a) separately for departmental and administered reporting; and
 - (b) consistently within departmental and administered reporting. This is regardless of whether rounding is different between departmental and administered disclosures.

Exceptions

- 13.3 For appropriations ([Part I](#)), special accounts ([Division 120](#)) and outcomes ([Division 121](#)) disclosures, the following rules apply:
- (a) these disclosure must not be rounded to the nearest \$1 million; and
 - (b) rounding must be consistent between departmental and administered reporting. Where an entity applies different levels of rounding to departmental and administered reporting, the lower level of rounding must be applied.
- 13.4 Director and executive remuneration disclosures ([Division 23](#)) must be rounded to the nearest dollar.
- 13.5 Table E disclosures, as required under [Division 104](#), must be disclosed to the cent.

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' 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 Subject to [section 15.4](#), 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 23](#), [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 not inconsistent with AAS.
- 17.16 The Department of Defence (Defence) is exempt from reporting Star Ranked reservists, who are not employed on a continuous full time service basis and whose remuneration and remuneration packages are less than \$150,000, in the disclosures required by [Division 23](#), on the condition that Defence disclose this fact by way of footnote.

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; and
- (d) to the extent that receipts under the Paid Parental Leave Scheme are regarded as income, [section 19.1\(c\)](#) does not apply to these receipts.

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 leasee's benefit.
- 22.2 Contingent operating lease rentals are recognised as expenses in the period in which they are incurred.

23 Director/Executive Remuneration

Scope

- 23.1 Not-for-profit entities must disclose directors' and senior executives' 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 This Division applies to the following groups of individuals:
 - (a) senior executives of an agency;
 - (b) senior executives and directors of an authority;
 - (c) senior executives and directors of the economic entity, where an agency or authority is the parent in the economic entity; and
 - (d) for the purposes of [section 23.5\(c\)](#) only, all other employees.
- 23.3 For the purpose of this Division, where an individual referred to in [section 23.2](#) is both a senior executive and director of the same entity, they are to be reported as a senior executive only.
- 23.4 Remunerations of senior executives and directors are to be disclosed separately.

Disclosure – Senior Executives

- 23.5** Entities must disclose the following in the notes to the financial statements in respect of senior executives:
- (a) **Table A *Senior Executive Remuneration Expenses for the Reporting Period***;
 - (b) **Table B *Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period***; and
 - (c) the number of employees whose salary plus performance bonus for the financial reporting period were \$150,000 or more, who did not have a role as senior executive or director.

Table A *Senior Executive Remuneration Expenses for the Reporting Period*

- 23.6** Table A must include the actual remuneration expensed (showing major categories of employee benefits) on senior executives. Table A excludes individuals that meet both of the following criteria:
- (a) on an acting arrangement and/or have not been employed by the entity for the full financial reporting period; and
 - (b) have total remuneration for the financial reporting period less than \$150,000.

Table B *Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period*

- 23.7** Fixed package elements and performance bonus paid are to be included in Table B, whereas variable package elements are to be disclosed by way of footnote to Table B.
- 23.8** Table B must include the following information on substantive senior executives if applicable as at the end of the reporting period for the total remuneration package band of \$0 to less than \$150,000 and each successive \$30,000 band:
- (a) the number of individuals;
 - (b) the average annualised salary of the individuals in that band applicable at reporting date;
 - (c) the average annualised fixed allowances of the individuals in that band applicable at reporting date;
 - (d) the total of [subsections \(b\) and \(c\)](#);
 - (e) the average performance bonus paid during the financial reporting period to individuals in that band; and
 - (f) as a footnote to the table, information about the methodology for calculating the variable packages elements (which are not included in [subsections \(b\) to \(e\)](#)).

Disclosure – Directors

- 23.9** The following must be disclosed in the notes to the financial statements in respect of directors:
- (a)** the number of directors whose total remuneration for the financial reporting period falls within each successive \$30,000 band, commencing at the band incorporating the lowest paid director; and
 - (b)** the total remuneration of directors for the financial reporting period.

Secondment Arrangements

- 23.10** For the purposes of [section 23.6](#) and [section 23.9](#), the entity that is the recipient of a senior executive or director in a secondment arrangement must disclose the amount of remuneration of that individual for that arrangement. 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.
- 23.11** For the purposes of Table B, the recipient entity must disclose the remuneration package of a senior executive, provided the secondment arrangement is still in effect at the end of the reporting period.
- 23.12** Entities benefiting from a resource received free of charge arrangement must make a statement to the effect that the amounts disclosed are included as receipt of goods or services from another Government entity.

Fee for Service Contract

- 23.13** An entity that is a party to a fee for service contract arrangement 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 this Division in respect of that arrangement.

Star Ranked Military Officers

- 23.14** The remuneration of star ranked military officers includes short periods of less than six months continuous duration of secondment or deployment.

Consolidated Financial Statements

- 23.15** When preparing the consolidated financial statements for an economic entity, the parent entity is required to:
- (a)** disclose the senior executives, directors and other employees in the parent entity and the economic entity in accordance with the requirements of Division 23; and

- (b) prepare the disclosures required by Division 23 for the senior executives, directors and other employees in the parent entity, (where the parent entity elects to disclose only parent entity supplementary information as permitted by [section 7.2\(b\)](#)).

24 Remuneration of Auditors

- 24.1 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.
- 24.2 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](#). The note must provide details of the statutory basis for holding additional investments, 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 properties, 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 under this Division.

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 presented in accordance with Annexure A:
- (a) *Table A Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment;*
 - (b) *Table B Reconciliation of the Opening and Closing Balances of Investment Property; and*
 - (c) *Table C Reconciliation of the Opening and Closing Balances of Intangibles.*

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](#) or [AASB 138](#).
- 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 assets that are accounted for as heritage and cultural assets, the notes to the financial statements must disclose:
- (a) a description of those items; and
 - (b) the curatorial and preservation policies for heritage and cultural assets. Where these policies are publicly available entities may instead provide a cross-reference to this information. These policies must include details on acquisition, preservation, management and disposal of heritage and cultural assets.
- 37.4** For the purposes of this Division, the term ‘government department’ referred to in the statement listing pertinent entities in 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;
 - (b) in relation to monetary assets held in trust, the 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; and
 - (iv) total amount held at the end of the reporting period; and
 - (c) Subject to [section 38.3](#), in relation to non-monetary assets held in trust, the entity is required to disclose:
 - (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 this Division.

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*

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 the 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.

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 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 acting 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. Finance's 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 For plans where the actuarial risk (shortfall risk) falls on the entity, the entity must account for them as defined benefit plans.
- 44.5 The market yield on 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 Where permitted, entities must recognise all impairment losses on financial assets under [AASB 139](#) in an allowance account 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 or losses on hedges into the carrying amount of the underlying assets; and
 - (b) progressively transferring such gains or 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) the 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 may 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 the schedule of commitments in accordance with the tables in Annexure A. 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) include disclosures in relation to accounting policies in accordance with the relevant AAS (e.g., [AASB 1050](#)) and all applicable requirements of this schedule;
 - (c) include an Administered Reconciliation Table in accordance with Annexure A;
 - (d) use background shading for the schedule of administered items and administered notes; and
 - (e) 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.
- 85.3 A statement of changes in equity is not required for administered items.

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 reporting periods.
- 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 on behalf of the Australian Government in the administered financial statements of:
- (a) Finance (for PSS and CSS); or
 - (b) Department of Defence (for military superannuation schemes).

91 *Transfer Payments*

Part H RESTRUCTURES

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*

Timing - General

- 101.1 An agency must recognise all departmental appropriations and departmental non-operating appropriation for which it is the responsible agency. The earliest point of recognition for these appropriations is when the agency gains control of the appropriation for accounting purposes, as follows, for:
- (a) loans specified in the *Appropriation Acts*, when drawn down from the OPA for the amount to be received;
 - (b) departmental special appropriations (except for special accounts), when the obligation for which the special appropriation exists is incurred up to the amount of the obligation;
 - (c) special accounts, as per revenue recognition principles in [section 120.10](#);

- (d) AFM (for Parliamentary Departments, the responsible Presiding Officer) specified in the *Appropriation Acts*, the date of the determination;
- (e) departmental supplementation, the date of the approval; and
- (f) other departmental appropriations and departmental non-operating appropriations specified in the *Appropriation Acts*, at the later of:
 - (i) date of Royal Assent of the *Appropriation Act*; and
 - (ii) the commencement of the financial period the appropriation relates to (i.e., when the appropriation is effective).

Equity Returns and Adjustments

101.2 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. Departmental equity returns:

- (a) occur where an agency:
 - (i) relinquishes control of funds which had been appropriation revenue in a previous financial reporting period; or
 - (ii) makes a non-reciprocal payment to the OPA other than as a dividend referred to in [Division 41](#); and
- (b) are recognised in the financial statements of the agency at the earliest of:
 - (i) the date the appropriation amount is reduced as a consequence of Government policy;
 - (ii) the date of effect of a Ministerial direction;
 - (iii) the date of the determination reducing a departmental appropriation in accordance with annual *Appropriation Acts*; and
 - (iv) where (a) to (c) above are not applicable, the date of the payment.

Measurement

101.3 Departmental appropriations and departmental non-operating appropriations must be recognised at the amounts specified in the *Appropriation Acts* in the year of appropriation, adjusted, where applicable, in accordance with [section 101.4](#). They are recognised as follows:

- (a) for departmental appropriations:
 - (i) amounts designated as contribution by owners must be recognised as equity; and
 - (ii) all other amounts must be recognised as revenue; and

- (b) for departmental non-operating appropriations:
 - (i) equity injections must be recognised in full as a contribution by owners;
 - (ii) loan appropriations must be recognised as increases in borrowings – they are not revenue; and
 - (iii) departmental supplementations must be recognised for the amount approved, so long as the transaction is appropriately evidenced (include at a minimum, written Ministerial agreement). Amounts designated as contribution by owners must be recognised as equity and all other amounts must be recognised as appropriation revenue. Appropriation in subsequent years will be recognised to the extent that it has not been previously recognised.

Formal Additions or Reductions

101.4 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. 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) transfers of current year appropriation under [section 32 of the FMA Act](#);
- (b) departmental supplementations;
- (c) 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). The agreements, at a minimum, must:
 - (i) set out one or more quantifiable deliverable(s) and/or a specific amount of appropriation relating to each; and
 - (ii) be approved by, or arise from, Ministerial or Cabinet decisions prior to the funding being given;
- (d) other amounts determined by the Finance Minister (or delegate) or an agency's Minister or Presiding Officer under Part 3 of the *Appropriation Acts*; and/or
- (e) all other adjustments made as a consequence of a decision of the Cabinet or the Prime Minister.

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 (see [section 85.2\(c\)](#)). 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 and administered special appropriations, when they are 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 [Division 104](#).

103 Recognition of Appropriations – CAC Entities

104 Disclosure of Appropriations

Disclosure - General

- 104.1 Agencies must report the information contained in tables below, in accordance with Annexure A:
- (a) Table A *Annual Appropriations*;
 - (b) Table B *Unspent Departmental Annual Appropriations*;
 - (c) Table C *Special Appropriations*;
 - (d) Table D *Disclosure by Agent in Relation to Annual and Special Appropriations*; and
 - (e) Table E *Reduction in Administered Items*.

104.2 Agencies must disclose the relevant details of its special appropriations in the following elements of its financial statements (in addition to the requirements under [section 104.1](#)):

- (a) for departmental special appropriations:
 - (i) departmental revenue and expenses as part of the statement of comprehensive income;
 - (ii) departmental assets and liabilities as part of the balance sheet; and
 - (iii) departmental cash flows as part of the cash flow statement; and
- (b) 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; and
 - (iv) administered reconciliation table in accordance with [section 85.2\(c\)](#).

Table A Annual Appropriations

104.3 The amounts shown in ‘Annual Appropriation’ column of Table A must be the same as the amounts set out in those *Acts*.

Table B Unspent Departmental Annual Appropriations

104.4 Agencies must disclose the following in Table B:

- (a) unspent departmental annual appropriation by *Appropriation Act* (including both current and prior year *Appropriation Acts*); and
- (b) total unspent departmental appropriation.

Table C Special Appropriations

104.5 Agencies must disclose each *Special Appropriation Act* current as at the reporting date separately in Table C.

Investment of Funds

104.6 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 C (appropriately modified) in [Division 104](#). All money invested under a special account must also be disclosed in accordance with [Division 120](#) of this schedule.

- 104.7 Where investments are made under an *Act* of Parliament other than [section 39 of the FMA Act](#), the same format as Table C in [Division 104](#) 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.

Drawing Rights

- 104.8 Where an agency ('the spending agency') has paid money out of the CRF on behalf of another agency ('the responsible agency'):
- (a) the responsible agency must:
 - (i) disclose the name of the spending agency;
 - (ii) apply the reporting requirements outlined in this division (namely, disclosing the transactions in its face statements and appropriations note); and
 - (iii) ensure that systems and processes are in place to enable appropriate reporting of the appropriation; and
 - (b) the spending agency must disclose:
 - (i) the name of each responsible agency and details of the transactions in Table D; and
 - (ii) the relationship between itself and each responsible agency as a footnote to Table D.

Part J OTHER DISCLOSURES

120 *Special Accounts*

- 120.1 Agencies must make the special account disclosures as required in Table A on a cash basis. Agencies can disclose each special account in a separate table or each as a new column to the table.
- 120.2 Agencies must make special account disclosures related to investment of public money as required in Table B.

Table A Special Accounts

- 120.3 In the heading of Table A, agencies must indicate:
- (a) whether the special account is departmental, administered or special public money in nature;
 - (b) the purpose of the special account; and
 - (c) the authority under which the special account was established.
- 120.4 Table A must include information in relation to special accounts in the following mandatory line items in the sequence below, if applicable:
- (a) balance brought forward from previous period;

- (b) appropriation for reporting period;
- (c) costs recovered;
- (d) realised investments;
- (e) other receipts;
- (f) total increase;
- (g) available for payments;
- (h) payments made;
- (i) repayments;
- (j) investments made from the special account ([FMA Act section 39](#));
- (k) total decrease; and
- (l) total balance carried to the next period.

Table B Special Accounts Investment of Public Money

120.5 Table B must include information in relation to special accounts investment of public money in the following mandatory line items in the sequence below, if applicable:

- (a) full official title of Special Account: Investment of Public Money under [section 39 of the FMA Act](#);
- (b) opening balance;
- (c) investments made:
 - (i) from special account; and
 - (ii) other;
- (d) investment income;
- (e) transaction charges;
- (f) investment realised; and
- (g) closing balance.

120.6 Investments made through a 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, they are disclosed in Table B.

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

Other Requirements

- 120.8** Special accounts must have a positive balance at all times. The balance represents the appropriation available to be drawn from the CRF.
- 120.9** 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.
- 120.10** 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.
- 120.11** 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.
- 120.12** 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. These transfers are internal transfers.
- 120.13** 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 Table A and Table 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.
- 120.14** Where investments are made under an *Act* of Parliament other than [*section 39 of the FMA Act*](#), the same format as Table B should be followed. The name of the relevant *Act* and section under which the investment is made must be noted.
- 120.15** Agencies must report money subject to trust law that form part of the balance of a special account adjacent to the special account disclosure.
- 120.16** 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 tables below in accordance with Annexure A:

- (a) *Table A Net Cost of Outcome Delivery;*
- (b) *Table B Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome; and*
- (c) *Table C Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome.*

Table A Net Cost of Outcome Delivery

121.3 The amount in the total column for departmental and administered expenses in Table A must agree to the corresponding total in the entity's statement of comprehensive income or schedule of administered items, respectively.

Table B Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome

121.4 The amount in the total column for departmental expenses, income, assets and liabilities in Table B must agree to the corresponding total in the entity's statement of comprehensive income and balance sheet respectively.

Table C Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome

121.5 The amount in the total column for each item in Table C must agree to the corresponding line item in the agency's schedule of administered items.

Other Requirements

121.6 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.

- 121.7 The attribution method used to apportion shared items must be reliable and must be disclosed in general terms in the text accompanying the Tables.
- 121.8 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 the end of the reporting period.

122 ***Compensation and Debt Relief in Special Circumstances***

- 122.1 Where an agency has the authority in relation to any of the following items, the agency's financial statements must include a note showing departmental and administered expenses and/or liabilities (including nil and immaterial balances) for that item:
- (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*](#).

General Disclosure

- 122.2 The note must disclose:

- (a) the number of cases and total amount expended during the reporting period under each of the mechanisms specified under [section 122.1](#); and
- (b) the number and aggregate present value of future payments of those cases relating to any provisions at the end of the reporting period under each of the mechanisms specified under [section 122.1](#).

Act of Grace Payments

122.3 Where any of the Act of Grace cases expended during the reporting period includes periodical payments for specified periods ([subsection 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.

Tactical Payments Scheme Payments

122.4 The note must disclose the number of cases and total amount expended by operation for Tactical Payments Scheme payments.

Debt Waivers

122.5 The note must disclose 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

- 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.
- 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 reporting period 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.