



# **Public Governance, Performance and Accountability (Financial Reporting) Amendment (Tiered Reporting and Other Measures) Rules 2017**

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I, Mathias Cormann, Minister for Finance, make the following rules.

Dated 9 May 2017

Mathias Cormann  
Minister for Finance

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## 1 Name

This instrument is the *Public Governance, Performance and Accountability (Financial Reporting) Amendment (Tiered Reporting and Other Measures) Rules 2017*.

## 2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	19 May 2017

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

## 3 Authority

This instrument is made under the *Public Governance, Performance and Accountability Act 2013*.

## 4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

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## Schedule 1—Amendments

### *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*

#### **1 Subsection 3(2)**

Omit “2015”, substitute “2016”.

#### **2 Section 4 (Guide to this rule)**

Omit:

Financial statements are to be prepared in accordance with the requirements of the Australian Accounting Standards (AAS). There are also additional reporting and disclosure requirements for Commonwealth reporting entities so the Government can discharge its accountability and transparency obligations.

substitute:

The objective of financial statements is to provide information about the financial position, financial performance and cash flows of Commonwealth reporting entities that is useful to a wide range of users in making economic decisions. The financial statements also contain notes and supplementary schedules about the items in the income statement and balance sheet that are relevant to the needs of users. They may include disclosures about the risks and uncertainties affecting the financial position of Commonwealth reporting entities.

Financial statements are to be prepared in accordance with the requirements of the Australian Accounting Standards (AAS). There are also additional reporting and disclosure requirements outside of this rule for Commonwealth reporting entities so the Government can discharge its accountability and transparency obligations.

#### **3 Section 4 (Guide to this rule)**

Omit:

Part 5 – Additional disclosure required by Government

This Part sets out all additional financial reporting and disclosure requirements (excluding appropriations) required by Government to discharge accountability and transparency requirements.

substitute:

Part 5 – Additional disclosure required by Government

This Part sets out all additional financial reporting and disclosure requirements (excluding appropriations) required by Government to assist with understanding the financial position of Commonwealth reporting entities. These may be in addition to other requirements outside of this rule to satisfy accountability and transparency requirements.

#### **4 Section 5**

Insert:

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**Key management personnel** has the same meaning as in AASB 124 *Related Party Disclosures*.

## **5 Section 9 (Guide to this section)**

Omit:

However, the effective and efficient administration of these items is an important role of the entity and the reporting of these items helps discharge Government accountability obligations as well as assisting in parliamentary decision making.

## **6 At the end of section 9**

Add:

Note: The financial statements of reporting entities must also comply with all other AAS that relate to administered items (see paragraph 7(1)(b) of this rule).

## **7 Section 10**

Omit “a member of the accountable authority (as per subsection 42(3) of the PGPA Act) and the entity CFO”, substitute “the accountable authority of the entity or a member of the accountable authority of the entity (if the accountable authority is not an individual), and the CFO of the entity”.

## **8 Paragraph 10(e)**

Omit “in the financial statements”.

## **9 Subsection 11(4)**

Repeal the subsection.

## **10 Section 18**

Repeal the section, substitute:

### **18 AASB 1053 *Application of Tiers of Australian Accounting Standards and other reporting requirements***

- (1) Subject to subsections (2) and (3), a reporting entity must, in preparation of the entity’s financial statements, apply Tier 2 reporting requirements (as a minimum).
- (2) The following reporting entities must, in preparation of their financial statements, apply Tier 1 reporting requirements:
  - (a) Australian National University;
  - (b) Australian Office of Financial Management;
  - (c) Australian Postal Corporation;
  - (d) Comcare;
  - (e) Commonwealth Superannuation Corporation;
  - (f) Defence Housing Australia;

## Schedule 1 Amendments

(g) Export Finance and Insurance Corporation;

(h) Future Fund Management Agency; and

(i) Reserve Bank of Australia.

(3) A reporting entity mentioned in an item of the following table must, in preparation of the entity's financial statements, apply Tier 1 reporting requirements when applying:

(a) an AAS (the *listed AAS*) listed in that item; and

(b) any other AAS to the extent that it relates to the listed AAS.

Note: When applying AAS other than those mentioned in paragraphs (3)(a) and (b), the entity must comply with subsection (1).

### Tier 1 reporting requirements

Item	Reporting entity	AAS
1	Airservices Australia	AASB 7 <i>Financial Instruments: Disclosure</i> AASB 13 <i>Fair Value Measurement</i> AASB 119 <i>Employee Benefits</i>
2	Clean Energy Finance Corporation	AASB 7 <i>Financial Instruments: Disclosure</i> AASB 13 <i>Fair Value Measurement</i>
3	Department of Defence	AASB 119 <i>Employee Benefits</i>
4	Department of Education and Training	AASB 7 <i>Financial Instruments: Disclosure</i> AASB 13 <i>Fair Value Measurement</i>
5	Department of Finance	AASB 7 <i>Financial Instruments: Disclosure</i> AASB 13 <i>Fair Value Measurement</i> AASB 119 <i>Employee Benefits</i>
6	Department of Foreign Affairs and Trade	AASB 7 <i>Financial Instruments: Disclosure</i> AASB 12 <i>Disclosure of Interests in Other Entities</i> AASB 13 <i>Fair Value Measurement</i> AASB 116 <i>Property, Plant and Equipment</i>
7	Department of Industry, Innovation and Science	AASB 7 <i>Financial Instruments: Disclosure</i> AASB 13 <i>Fair Value Measurement</i>
8	Department of the Treasury	AASB 7 <i>Financial Instruments: Disclosure</i> AASB 12 <i>Disclosure of Interests in Other Entities</i> AASB 13 <i>Fair Value Measurement</i>

(4) Information not reported in a reporting entity's financial statements but required as part of the Australian Government consolidated financial statements must be made available to the Department of Finance at the time and in the format requested.

## 11 Section 27 (heading)

Repeal the heading, substitute:

### 27 Key management personnel remuneration



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**12 Section 27 (Guide to this section)**

Omit:

The purpose of this section is to set out minimum requirements for reporting entities financial reporting disclosures for senior executive and director remuneration.

This note is to disclose the cost to the Commonwealth of senior management personnel. That is, those people having the authority and responsibility for planning, directing and controlling the activities of the reporting entity, either directly or indirectly.

substitute:

The purpose of this section is to set out minimum requirements for reporting entities' financial reporting disclosures of their key management personnel remuneration.

**13 Section 27 (Guide to this section)**

Omit:

This disclosure is to align with the key management personnel disclosure required in AASB 124 *Related Party Disclosures*.

**14 Subsection 27(1)**

Repeal the subsection, substitute:

- (1) The disclosure note for reporting entities must be prepared using actual key management personnel expenses (on an accrual basis).

**15 Subsection 27(2)**

Omit "senior executives or directors", substitute "the entity's key management personnel".

**16 Subsection 27(4)**

Repeal the subsection, substitute:

- (4) Reporting entities must disclose the total number of key management personnel that are included in the disclosure note.
- (5) Reporting entities must disclose:
- (a) the total remuneration of their key management personnel; and
  - (b) the amount of each of the following for their key management personnel:
    - (i) short-term employee benefits;
    - (ii) post-employment benefits;
    - (iii) other long-term employee benefits; and
    - (iv) termination benefits.

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## 17 Part 5 (Guide to this Part)

Omit the Guide, substitute:

### Guide to this Part

The purpose of this Part is to set out all additional financial reporting and disclosure requirements for reporting entities that are required by Government to assist with understanding the financial position of reporting entities. These may be in addition to other requirements outside of this rule to satisfy accountability and transparency requirements.

## 18 Paragraph 32(3)(d)

Omit “in respect of subsidiaries,”.

## 19 Section 34

Repeal the section.

## 20 Section 39 (Guide to this section)

Omit:

Any amounts now being transferred back to the OPA must be recognised as a return of capital through adjusting equity, not an adjustment to revenue on the statement of comprehensive income, as it does not relate to revenue for the current reporting period.

substitute:

Any amounts now being transferred back to the OPA must be recognised as a return of capital through an adjustment of Departmental equity, not an adjustment to revenue on the statement of comprehensive income, as it does not relate to revenue for the current reporting period.

## 21 Subparagraph 39(2)(a)(i)

After “revenue”, insert “or contributed equity”.

## 22 Subparagraph 39(2)(a)(ii)

Omit “payment”, substitute “transfer”.

## 23 Subparagraph 39(2)(b)(iii)

Omit “the payment”, substitute “the transfer to the OPA”.

## 24 Subsection 43(2)

After “include”, insert “the total of”.

## 25 Subparagraph 46(1)(a)(ii)

Omit “and appropriation lapsed”.

## 26 Division 6 (Guide to this Division)

Repeal the Guide, substitute:

### Guide to this Division

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The purpose of this Division is to set out the reporting and disclosure requirements for special accounts.

A special account is an appropriation mechanism that notionally sets aside an amount within the CRF to be expended for specific purposes. The type of appropriation provided by a special account is a special appropriation. The appropriation mechanism remains available until the special account is repealed. The amount of money that may be spent from the CRF, via a special account, is limited to the balance of that special account.

**27 Subsection 48(2)**

Omit “abolished”, substitute “repealed”.

**28 Subsections 48(3) and (4)**

Repeal the subsections, substitute:

- (3) If the status of a special account has changed during the reporting period (e.g., the account has been established, varied or repealed), the nature and date of effect of each change must be disclosed as a footnote.

**29 At the end of section 48**

Add:

- (6) If an amount standing to the credit of a special account is held by a reporting entity, the amount must be disclosed in the entity’s financial statement as cash.
- (7) If an amount standing to the credit of a special account is held in the OPA, the amount must be disclosed in a reporting entity’s financial statement as cash held in the OPA.