

Public Governance, Performance and Accountability (Financial Reporting) Amendment (2021 Measures No. 1) Rules 2021

I, Simon Birmingham, Minister for Finance, make the following rules.

Dated 29 March 2021

Simon Birmingham

Minister for Finance

Contents

1 Name 1

2 Commencement 1

3 Authority 1

4 Schedules 1

Schedule 1—Amendments 2

Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 2

1 Name

This instrument is the *Public Governance, Performance and Accountability (Financial Reporting) Amendment (2021 Measures No. 1) Rules 2021*.

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. | 9 April 2021 |

Note: This table relates only to the provisions of this instrument as originally made.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Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

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

1 Subsection 3(2)

Omit “1 July 2019”, substitute “1 July 2020”.

2 Paragraph 3(2)(d)

Omit “Corporation; and”, substitute “Corporation;”.

3 Paragraph 3(2)(e)

Omit “Account.”, substitute “Account; and”.

4 At the end of subsection 3(2)

Add:

(f) Division 4 of Part 2‑3 of the *Public Governance, Performance and Accountability Rule 2014* in relation to how financial statements must be prepared in relation to Commonwealth entities that have ceased to exist or whose functions have been transferred.

5 Section 5

Insert:

***AASB*** means the Australian Accounting Standards Board.

6 Paragraph 6(1)(b)

Omit “subsidiaries; and”, substitute “subsidiaries.”.

7 Section 12 (heading)

Repeal the heading, substitute:

12 Presentation of financial statements

8 Section 13 (heading)

Repeal the heading, substitute:

13 Statement of cash flows

9 Section 14 (heading)

Repeal the heading, substitute:

14 Accounting for Government grants and disclosure of Government assistance

10 Section 15 (heading)

Repeal the heading, substitute:

15 Borrowing costs

11 Section 16 (heading)

Repeal the heading, substitute:

16 Financial instruments

12 Section 17 (heading)

Repeal the heading, substitute:

17 Valuation of non‑financial assets

13 Subsection 17(1)

Repeal the subsection, substitute:

(1) Reporting entities must apply subsections (2) to (5) when applying any of the following standards in preparation of financial statements:

(a) AASB 16 *Leases*;

(b) AASB 116 *Property, Plant and Equipment*;

(c) AASB 138 *Intangible Assets*;

(d) AASB 140 *Investment Property*.

14 Section 18 (heading)

Repeal the heading, substitute:

18 Application of tiers of Australian Accounting Standards

15 Before subsection 18(1)

Insert:

(1A) Reporting entities are subject to subsections (1) to (3) when applying AASB 1053 *Application of Tiers of Australian Accounting Standards*.

16 Paragraph 24(1)(b)

Repeal the paragraph, substitute:

(b) greater than 1,000 FTE employees must estimate the entity’s LSL liability using either of the following methods:

(i) an actuarial assessment;

(ii) a detailed calculation basis (e.g., employee by employee).

17 Subsection 24(2)

Repeal the subsection, substitute:

(2) For the purposes of calculating the provision of employee benefits, the following relevant on‑costs are to be allowed for:

(a) superannuation contributions made by a Commonwealth entity to meet its superannuation liability;

(b) accrual of annual leave while an employee is on annual leave or long service leave;

(c) accrual of long service leave while an employee is on annual leave or long service leave.

Other on‑costs, such as workers’ compensation insurance and payroll tax, are not on‑costs that are to be allowed for in calculating the provision of employee benefits for the purposes of this section.

18 After subsection 26(1)

Insert:

(1A) Where:

(a) during the reporting period, a Commonwealth entity has ceased to exist, or some of a Commonwealth entity’s functions have been transferred; and

(b) Division 4 of Part 2‑3 of the *Public Governance, Performance and Accountability Rule 2014* applies to the entity;

the relevant reporting entity must prepare financial statements in accordance with that Division.

Note: Division 4 of Part 2‑3 of the *Public Governance, Performance and Accountability Rule 2014* sets out special reporting requirements that apply when:

(a) a Commonwealth entity has ceased to exist (see Subdivisions A and C of that Division); or

(b) a Commonwealth entity has not ceased to exist but some of the Commonwealth entity’s functions have been transferred (see Subdivisions B and C of that Division).

19 At the end of subparagraph 27(5)(b)(ii)

Add “(subject to subsection 25(4A))”.

20 Section 34B

Repeal the section, substitute:

34B Disclosure of current and non‑current assets and liabilities

Guide to this section

The purpose of this section is to require reporting entities to include in their financial statements a note disclosing total assets, total liabilities, and each asset and liability line item in their statements of financial position and administered schedules of assets and liabilities, broken down into:

(a) amounts expected to be recovered or settled within 12 months; and

(b) other amounts.

A reporting entity must disclose the following in a note in the financial statements for a reporting period:

(a) the total of:

(i) any amounts expected to be recovered from assets within 12 months after the end of the reporting period; and

(ii) cash and cash equivalents;

(b) the total of any amounts recoverable from non‑current assets;

(c) the total of any amounts expected to be settled for liabilities within 12 months after the end of the reporting period;

(d) the total of any amounts that are expected to be settled for liabilities more than 12 months after the end of the reporting period;

(e) for each asset and liability line item in the entity’s Statement of Financial Position and Administered Schedule of Assets and Liabilities, the amounts expected to be recovered or settled:

(i) within 12 months after the end of the reporting period; and

(ii) more than 12 months after the end of the reporting period.

34C Lease maturity analysis under AASB 16 *Leases*

Guide to this section

The purpose of this section is to require reporting entities to:

(a) disclose lease maturity analysis on an undiscounted basis; and

(b) separate lease liabilities from other financial liabilities.

Reporting entity is a lessee

(1) Where a reporting entity is a lessee that recognises a right‑of‑use asset and a lease liability under AASB 16 *Leases*, the financial statements of the entity must include a note providing a maturity analysis of undiscounted lease payments to be paid by the lessee in the following maturity time bands:

(a) within 1 year after the end of the reporting period;

(b) between 1 and 5 years after the end of the reporting period;

(c) more than 5 years after the end of the reporting period.

(2) The maturity analysis of the lease liabilities mentioned in subsection (1) must be disclosed separately from the maturity analyses of other financial liabilities (if any).

Reporting entity is a lessor

(3) Where a reporting entity is a lessor of a lease identified under AASB 16 *Leases*, the financial statements of the entity must include a note providing:

(a) a maturity analysis of undiscounted lease payments to be received by the lessor on an annual basis for the first 5 years after the end of the reporting period; and

(b) the total amounts for the remaining years of the lease.

21 Paragraph 37(c)

Omit “(appropriations to take account of recoverable GST)”, substitute “(recoverable GST for non‑corporate Commonwealth entities)”.

22 Subsection 40(3)

Omit “that amount”, substitute “the amount of formal reduction or exclude the amount of formal addition”.

23 At the end of section 40

Add:

(4) For the purposes of this section, ‘Government approved legal instrument’ means any of the following:

(a) an Advance to the Finance Minister under an annual Appropriation Act;

(b) an Advance to the responsible Presiding Officer under an annual Appropriation Act;

(c) a determination under section 75 of the PGPA Act.

24 Paragraph 46(1)(a)

Repeal the paragraph, substitute:

(a) authority, including:

(i) for all special appropriations (including appropriations under section 77 of the PGPA Act which deals with repayments made by the Commonwealth)—the name of the relevant Act; and

(ii) for limited amount special appropriations—the limit for the reporting period; and

(iii) for special appropriations under section 58 of the PGPA Act (which deals with investments by the Commonwealth)—the total of prior year investments redeemed in the current year and redemptions of current year investments (gross); and

25 At the end of paragraph 46(1)(b)

Add:

; and (iii) the total of repayments made under section 77 of the PGPA Act.

26 At the end of subsection 46(2)

Add:

Note: For requirements in relation to investments from special accounts made under section 58 of the PGPA Act investment powers that are delegated by the Finance Minister, see subsection 48(9).

27 At the end of subsection 48(8)

Add:

; and (d) disclose the amount so held in the assets held in the trust disclosure note.

28 At the end of section 48

Add:

(9) If an amount is invested by a reporting entity from a special account, the reporting entity must disclose:

(a) all relevant money invested from the special account; and

(b) all proceeds of the investment credited to the special account; and

(c) as a footnote to the special accounts disclosure note, the total amounts so held as investments.