



Australian Government

Australian Accounting Standards Board

Australian Financial Reporting Framework: Public Sector

Project Plan

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1 PROJECT OVERVIEW

1.1 OVERALL OBJECTIVE OF THE PROJECT

The overall objective of this project is for AASB to work with FRC's Public Sector Working Group (FRC WG) to clarify and simplify the financial reporting framework for the Australian public sector by:

- developing objective criteria to determine which entities of the Commonwealth and State, Territory and Local Governments should be required to prepare General Purpose Financial Statements (GPFS); and
- determining the financial reporting requirements that would apply to the financial statements.

FRC WG will lead this project. The FRC WG comprises of:

- Stein Helgeby, Deputy Secretary, Department of Finance;
- David Nicol, Under Treasurer, Treasury and Economic Development, Directorate of the ACT Government;
- Roger Simnett, AUASB Chair; and
- Kris Peach, AASB Chair.

1.2 STATUS AS AT NOVEMBER 2019

The FRC WG has determined that the project will be achieved in three phases:

- **Phase 1:** Research and initial consultations (underway)
- **Phase 2:** Detailed discussions and further design work (2020–2021)
- **Phase 3:** Review, acceptance and approval (2021–2024)

AASB's deliverables

AASB staff will work with the Commonwealth Department of Finance to prepare material to illustrate the possible financial reporting requirements of each reporting Tier.

Tier 1 and Tier 2 financial statements will be similar to the Tier 1 full disclosure financial statements and the proposed Tier 2 Specified Disclosures financial statements applicable to private sector entities, except for the addition of budget vs actual reporting and management commentary (including service performance reporting and fiscal sustainability reporting).

In Phase 1, AASB staff and Commonwealth Department of Finance will prepare templates to illustrate possible reporting requirements of Tier 3 financial statements. This includes:

- preparing flowcharts to propose the principles/criteria in assessing which public sector entities would be eligible to prepare Tier 3 financial statements (for example, entities that are consolidated into another public sector entity); and
- preparing proforma financial statements templates to illustrate the financial reporting requirements of Tier 3 financial statements.

This Project Plan does not include review of Whole of Government (WoG) and General Government Sector (GGS) financial statements. This would be carried out as part of the Post-Implementation Review (PIR) of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. At the May 2017 AASB meeting, the Board approved

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At the September 2019 AASB meeting, staff provided an update regarding the initial consultations with the Financial Reporting and Accounting Committee (FRAC) of the Australasian Council of Auditors-General (ACAG) and the Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC).

At this meeting, staff ask the Board to consider this Project Plan, which includes proposed milestones and timelines of Phase 1.

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Question 1 to the Board

Do Board members agree with the proposed AASB's deliverables?



a [project plan \(Agenda Paper 3.6\)](#) [also see [Action Alert No. 184](#)] to undertake a PIR of AASB 1049 and directed that an external party be engaged to perform a cost/benefit analysis of AASB 1049, responding to constituent concerns regarding the benefits of its fair value asset measurement requirements.

1.3 BACKGROUND

In 2014 the FRC's Financial Reporting Taskforce published a report [Financial Reporting – Issues, Recommendations and Summary of Observations](#) from its investigation into Australia's financial reporting requirements. The report shows that the current financial reporting requirements for all sectors are complex. The Taskforce recommended that a new reporting framework is developed to define appropriate reporting requirements based on an entity's risk profile and public accountability and the likely users of an entity's financial reports.

The Board decided to undertake three projects in addressing FRC's recommendations:

- Project 1 – Not-for-Profit Private Sector Financial Reporting Framework Reform
- Project 2 – For-Profit Private Sector Financial Reporting Framework Reform
- Project 3 – Public Sector Financial Reporting Framework Reform (applicable to for-profit and not-for-profit public sector entities other than WoG and GGS)

Project 1 and Project 2 are underway and addressed separately, this Project Plan is specific to Project 3 – Public Sector Financial Reporting Framework Reform, which outlines the timeline and next steps of the project following from completion of the milestones listed in the initial project plan approved by the Board in December 2017 (see section 1.4).

1.4 PREVIOUS PROJECT PLAN CONSIDERED BY THE BOARD

At its December 2017 meeting, the Board approved an [initial project plan \(Agenda Paper 8.2\)](#) [also see [Action Alert No. 188](#)] for this project and instructed staff to prepare:

- a Research Report to benchmark and summarise current financial reporting requirements of public sector entities in Australia and other jurisdictions; and
- a Discussion Paper to outline options for potential changes to the current public sector financial reporting framework.

These publications have been completed:

- Research Report No. 6 – [Financial Reporting Requirements Applicable to Australian Public Sector Entities](#) (May 2018)
- Discussion Paper – [Improving Financial Reporting for Australian Public Sector](#) (June 2018)

1.5 KEY ISSUES IN CURRENT FINANCIAL REPORTING REGIME

[Research Report No. 6](#) shows that the cost of preparation (including valuation of non-financial assets) and audit of Australian public sector entities' financial statements is estimated to be \$0.9 billion a year. It outlines the following four key issues with the current financial reporting regime for the public sector in Australia. A summary of the issues is included in [Appendix A](#) for the Board's information.

- Issue 1: Significant cost of preparing General Purpose Financial Statements (GPFS) when user needs are unclear.
- Issue 2: Inconsistency in reporting and assurance requirements across different jurisdictions in Australia.
- Issue 3: Complex and technical reporting requirements unique to Australian Public Sector.
- Issue 4: Linkage of financial reports with performance reports, budget accountability reporting, fiscal sustainability reporting.

The Board considered the findings in the research report and decided to issue a [Discussion Paper – Improving Financial Reporting for Australian Public Sector \(June 2018\)](#) to suggest possible options for changes to the current public sector financial reporting framework for stakeholders to consider.

2 PROJECT OUTCOMES

2.1 WHAT ARE THE OUTCOMES OF THIS PROJECT?

The project is expected to have the following outcomes in order to satisfy the objective of clarifying and simplifying the financial reporting framework for the Australian public sector:

- **Project Outcome 1: Establish objective criteria and reporting thresholds** to determine which entities of the Commonwealth and State, Territory and Local Governments should be required to prepare GPFS, and under which reporting tier;
- **Project Outcome 2: Establish reporting tiers and specify financial reporting requirements for each tier** based on needs of users matched with the level of public interest and external users of the entity; and
- **Project Outcome 3: Establish appropriate level of assurance** based on the level of public interest and extent of external users of the financial statements.

The following table outlines how the issues identified in [Research Report No. 6](#) will be addressed, the expected changes to current practice and the expected benefits.

Issue in current practice and Project outcomes	Expected changes to current practice and expected benefits
<p>Issue 1: Significant cost of preparing GPFS when user needs are unclear</p> <p>Address through Project Outcome 1: Establish objective criteria and reporting thresholds to determine which entities of the Commonwealth and State, Territory and Local Governments should be required to prepare GPFS, and under which reporting tier.</p>	<p>It is expected that the cost of preparation and audit financial statements will reduce because:</p> <ul style="list-style-type: none"> • reporting requirements of majority of entities below WoG and GGS are expected to reduce; • less public sector non-financial assets would be required to be measured at fair value; and • assurance level of some entities is expected to reduce. <p>According to the Discussion Paper (page 9),</p>



Issue in current practice and Project outcomes	Expected changes to current practice and expected benefits
	currently about 96% of public sector entities prepare Tier 1 full disclosure GPFS financial statements. Depending on the option chosen, the new financial reporting framework is expected to reduce the number of Tier 1 financial statements by at least 40%.
<p>Issue 2: Inconsistency in reporting and assurance requirements across different jurisdictions in Australia</p> <p>Address through Project Outcome 2: Establish reporting tiers and specify financial reporting requirements for each tier; and</p> <p>Project Outcome 3: Establish appropriate level of assurance.</p>	<p>Project Outcome 2 and 3 would promote consistency in financial reporting across Australian public sector by providing standardised reporting requirements that adequately explains a public sector entity's public accountability.</p> <p>It is expected that the new reporting requirements would focus on user needs and establish matched levels of assurance with the levels of financial reporting.</p>
<p>Issue 3: Complex and technical reporting requirements unique to Australian Public Sector.</p> <p>Address through Project Outcome 1: Establish objective criteria and reporting thresholds to determine which entities of the Commonwealth and State, Territory and Local Governments should be required to prepare GPFS, and under which reporting tier; and</p> <p>Project Outcome 2: Establish reporting tiers and specify financial reporting requirements for each tier.</p>	<p>Project outcome 1 includes consideration of whether a department (and entities within a department) should be treated as a branch of WoG/GGS rather than an individual reporting entity.</p> <p>If it was accepted that departments and entities within a department are branches of WoG/GGS, this would eliminate duplication of reporting and reduce the number of intermediate consolidations, and solve the following accounting issues:</p> <ul style="list-style-type: none">• administered items;• accounting for Machinery of Government changes;• internal charging amongst public sector entities; and <p>classification of appropriations between capital and operating.</p>
<p>Issue 4: Linkage of financial reports with performance reports, budget accountability reporting, fiscal sustainability reporting.</p> <p>Address through Project Outcome 2 by embarking on sub-projects related to service performance reporting, remuneration reporting and fiscal sustainability reporting</p>	<p>Project Outcome 2 would include consideration of management commentary (including performance reporting), budget accountability reporting, fiscal sustainability reporting and also remuneration reporting.</p>

2.2 HOW URGENT AND IMPORTANT IS THIS PROJECT?

Given the issues noted in [Research Report No. 6](#) staff consider that this is an important project. However, the urgency of this project is 'low' as the FRC WG has estimated that this project would take until year 2024 to be completed.

The below table demonstrates how this project fits into AASB's strategic objectives.

#	Strategic Objective	Link to this project
2	With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with regulators to develop objective criteria on: <ul style="list-style-type: none"> • who prepares external reports (including financial reports) • the nature and extent of assurance required on these external reports. 	This project would reshape external reporting framework for Australian public sector entities by develop objective criteria on: <ul style="list-style-type: none"> • who in the public sector should prepare financial statements; • the extent of assurance required on these financial statements; and • the financial reporting requirements of each reporting tier.
4	Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach.	This project has to date, and will continue, to engage directly with stakeholders in the public sector.
5	Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.	Addressing through sub-projects (see section 2.3 on cross-cutting projects). This project will include the consideration, and development of guidance on management commentary, service performance information and remuneration reporting.
7	Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance.	Appropriate education initiatives will be considered depending on the outcome of the project, including webinars and face-to-face education sessions.

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[Question 2 to the Board](#)

Do Board members agree that the urgency of this project is low?

2.3 CROSS-CUTTING PROJECTS

As noted in the Project Plan for the *Australian Financial Reporting Framework: Not-for-Profit Private Sector* project there are three cross-cutting projects that would need to be considered prior to finalising the financial reporting framework for public sector entities (refer to Agenda Paper 5.1 of this meeting for details of these projects).

1. Service Performance Reporting and Management Commentary

Users of public sector financial statements are interested in service performance reporting. Staff consider that the objective of IASB's project in revising its Practice Statement 1 *Management Commentary* would also address to a large degree what users are looking for in service performance reporting as there is now significant overlap – the key disclosures in management commentary are – entity purpose, strategies and business models to achieve purpose, outcomes of current year towards purpose, linking with financial outcomes. Therefore, staff consider that the outcome of this project may be an appropriate base for the AASB in determining the requirements of service performance reporting (or at least avoiding duplication

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[Question 3 to the Board](#)

Do Board members agree that these three cross-cutting projects should be considered prior to finalising the financial reporting framework for public sector entities?

of requirements). Staff expects that the guidance on service performance reporting/management commentary would be completed prior to commencement of Phase 3.

2. Remuneration Reporting

Remuneration reporting would be relevant to this project as this is an interest area of users of public sector financial statements.

3. Conceptual Framework – Amendments for NFP Entities

The new financial reporting framework for public sector entities should consider the new NFP-specific concepts arising from the new conceptual framework. Staff consider that this project would involve considering the modifications already made to the current *Framework for the Preparation and Presentation of Financial Statements*, and adapting and adding to those concepts based on analysis of the IPSASB public sector framework. Staff recommend that this is completed prior to the finalisation of the public sector financial reporting framework.

3 PROJECT TEAM AND RESPONSIBILITIES

Name(s)	Role	Responsibility
-	FRC WG	Lead stakeholder engagements and outreach activities
-	Commonwealth Department of Finance	Work with AASB staff to prepare material to illustrate the possible financial reporting requirements of each reporting tier
AASB Staff:		<ul style="list-style-type: none"> • Work with Commonwealth Department of Finance to prepare material to illustrate the possible financial reporting requirements of each reporting tier; • Participate in outreach activities; and • Contribute to FRC WG's paper to the FRC.
Kala Kandiah	Technical Director	Provide leadership of technical content, outreach with stakeholders
Clark Anstis	Technical Principal	Provide leadership of technical content, to ensure accuracy with Standard-setting requirements
Fridrich Housa	Senior Project Manager	Senior content expert, senior project team leader, outreach with stakeholders
Patricia Au	Project manager	Content expert, project team leader, outreach with stakeholders

3.1 WHAT SPECIALIST KNOWLEDGE IS REQUIRED AND HOW TO SOURCE IT?

This project requires knowledge in the Australian public sector, which is obtained through working with the Commonwealth Department of Finance and the FRC WG.

3.2 WHAT ARE THE PROJECT REPORTING REQUIREMENTS?

Report name	Report Preparer(s)	Report Recipient(s)	Reporting Frequency
Project Management Status Reporting	Project Manager	Portfolio Management Team (Internal)	Fortnightly
Priorities and Work Program Reporting	Project Manager/Senior Project Manager	AASB Board	Each Board Meeting

4 PROJECT ASSUMPTIONS, RISKS & OTHER CONSIDERATIONS

4.1.1 Assumptions and constraints

The milestones and timeline for Phase 1 in Section 5.1.1 has been developed based on the following assumptions:

- Stakeholders will be available to engage with AASB staff / FRC WG in the timing proposed in the project timeline in Section 5.1.1.
- There will be readily-available softcopies of public sector financial statements or financial statement templates that can be easily tailored into new templates.

Constraints of this project include:

- Timing of engagement and consultation with stakeholders are not within AASB's control.
- Getting in-principle agreement with stakeholders about financial reporting requirements could take longer time than expected.

4.1.2 Key project delivery risks

The following table outlines the key project delivery risks.

Risk	Risk assessment	Potential impacts	Mitigation strategy	Residual risk
Not able to identify and engage with users of financial statements of agency, department or cluster financial statements	Medium	Not engaging with users of financial statements could potentially lead to proposed changes to financial statements not meeting users' needs	FRC WG and project team conduct broader outreach activities, such as roundtables, to ensure we obtain views of broader stakeholders	Low



Risk	Risk assessment	Potential impacts	Mitigation strategy	Residual risk
Reduction in reporting requirements for some entities could be seen by some stakeholders as reducing transparency, accountability, and governance oversight	High	Potential risk of reducing confidence in public sector financial statements	FRC WG and project team reach out to boarder stakeholders and emphasise that under the proposed framework, all public sector entities are still preparing financial statements and are still complying with recognition and measurement requirements under AAS or same basis as budget information. Also emphasise that the new framework would enhance budget vs actual reporting and service performance reporting	Low
Some proposed options suggest introducing a fixed monetary threshold for distinguishing between reporting tiers	High	Given the difference in scale of governments, having a fixed monetary threshold that applies to all States and Territories might lead to some entities that are considered 'economically significant' in some governments being classified in an inappropriate reporting tier	If it has been determined that a fixed monetary threshold is a good criterion in distinguishing reporting tiers, FRC WG and project team will consider whether applying one fixed monetary threshold to all States and Territories would be appropriate or whether some states may require different monetary thresholds	Low
Eliminating sectoral consolidations may impact ABS reporting	Medium	Sectoral consolidated information might still be required for ABS reporting.	FRC WG and project team would work with Treasury departments and consider whether sectoral	Low



Risk	Risk assessment	Potential impacts	Mitigation strategy	Residual risk
			consolidated information can be obtained through internal reporting in order to report to ABS	
Service performance reporting only at a consolidated level	Medium	Service performance reporting at a consolidated level might not provide sufficient information for users. There might be stakeholders interested in service performance at an entity level or function level	FRC WG and project team would consider how detailed service performance would be appropriate in meeting users' needs. Service performance reporting can be done on a functional or sectoral level that accompany the WoG/GGS consolidated financial statements	Low
WoG and GGS not able to obtain necessary information in order to prepare WoG and GGS consolidations	Low	Reducing disclosures in financial statements might not provide sufficient information for WoG/GGS consolidations	This project is aimed at reforming external reporting only. WoG/GGS should look at their internal reporting process and requirement to ensure all necessary information is obtained	Low
It might be difficult to consolidate at WoG/GGS if agencies measure non-financial assets under a different measurement basis	Low	WoG/GGS would need to measure non-financial assets at fair value to comply with GFS, and would require consolidation adjustments if subsidiary agencies measure these assets in a different basis	If it was accepted that government entities are branches of WoG/GGS they would likely measure assets on the same basis as WoG/GGS. However, at WoG and GGS consolidated levels there might be less assets that would be considered material that would require independent asset	Low

Risk	Risk assessment	Potential impacts	Mitigation strategy	Residual risk
			valuations to be performed. WoG and GGS may need to establish policies in identifying which assets would be considered material at WoG and GGS level.	

4.1.3 Relevant Standards, Legislation and Regulations

Currently Commonwealth, and each State and Territory has their own legislation setting out which public sector entities in their jurisdiction are required to prepare financial statements and whether the financial statements need to be audited. Amendments to legislation would likely be required in order to achieve the objectives of this project, although it may be possible to use AASB 1053 *Application of Tiers of Australian Accounting Standards* to establish the criteria. AASB 101 *Presentation of Financial Statements* states in paragraph Aus 7.2 that "... most, if not all, government departments are reporting entities", which will need to be revised if it has been determined that departments are branches of WoG/GGS rather than individual reporting entities.

4.1.4 Interaction with other Standard-setters

The following table summarises staff's analysis on interaction with other Standard-setters.

Interaction with Standard-setters	Consideration
IASB	This is a domestic project and is unlikely to require interaction with IASB.
AUASB	Since one of the objectives of this Project is to establish appropriate level of assurance based on the level of public interest and extent of external users of the financial statements, AASB staff are expected to have a high level of engagement with the AUASB.
NZASB	This project is specific to financial reporting framework rather than Accounting Standards; therefore, would not require consideration of NZASB Standards. However, AASB staff would consider NZ's financial reporting framework as part of this project.
Australian Bureau of Statistics (consideration of GFS)	Only WoG and GGS are required to report on GFS; however, the Treasury Department in many jurisdictions require their public sector entities to also prepare financial statements to align with GFS to assist in the WoG and GGS consolidations. When considering the reporting requirements of each reporting tier, AASB staff would consider the impact of GFS and on WoG and GGS consolidations.

Interaction with Standard-setters	Consideration
IPSASB	This project is specific to financial reporting framework rather than Accounting Standards; therefore, would not require consideration of IPSASB Standards, but requires consideration of Conceptual Framework, particularly reporting entity guidance.

5 PROJECT TIMELINE AND RESOURCES

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Question 4 to the Board

Do Board members agree with the proposed timeline and staff hours?

5.1 WHEN ARE THE DELIVERABLES DUE?

As mentioned in section 1.2, in Phase 1 AASB staff and Commonwealth Department of Finance will prepare templates to illustrate possible reporting requirements of Tier 3 financial statements. This is expected to be completed by December 2019.

AASB staff are also expected to contribute to writing sections of FRC papers to provide update to the FRC on project deliverables and involve with some outreach activities. As at the date of this Project Plan the specific timing of outreach activities and FRC meetings are yet to be determined.

5.1.1 Major milestones in Phase 1: Research and initial consultations

The following table outlines the milestones of Phase 1 determined by FRC WG and includes estimated AASB staff hours per staff required in each milestone. Milestones and timelines of Phase 2 and Phase 3 will be determined at a later time.

Milestone – Phase 1	Date	Key Persons responsible	Time required of AASB staff (per person, in hours)
Initial discussion with Heads of Treasuries	August/September 2019	FRC WG and AASB	4 (completed)
AASB and Department of Finance to prepare templates for alternative reporting tiers	December 2019	Staff of AASB and Commonwealth Department of Finance	60
Consultation with Auditors-General/ACAG	December 2019 – January 2020	FRC WG	-
Engagement with local government representatives	First half of 2020	FRC WG and AASB staff	10
Awareness-raising with public accounts committees	First half of 2020	FRC WG and AASB staff	30
Consider how the project should relate to other forms of reporting	First half of 2020	FRC WG and AASB staff	20



Milestone – Phase 1	Date	Key Persons responsible	Time required of AASB staff (per person, in hours)
Provide update to the Board regarding Phase 1 findings, and consider project plan and communication plan for Phase 2	June 2020 AASB meeting	FRC WG and AASB staff	20
Contribute to FRC paper prepared by FRC WG regarding Phase 1 findings and proposed project plan and communication plan for Phase 2	June 2020 FRC meeting	FRC WG and AASB staff	20

5.1.2 Timing issues

Major issues that could impact on the deliverables and the timing required include:

- When stakeholders are available to engage with AASB staff / FRC WG.
- The number of meetings required to engage with each stakeholder group.

APPENDIX A

This Appendix summarises the four key issues with the current financial reporting regime for the public sector in Australia as outlined in [Research Report No. 6](#).

Issue 1: Significant cost of preparing General Purpose Financial Statements (GPFS) when user needs are unclear

Currently, almost every department, agency and government business enterprises (GBE) prepare GPFS. These entities are consolidated into Whole of Government (WoG) and/or General Government Sector (GGS) financial statements, and there is a lack of research on who might be external users of financial reports of public sector entities below the WoG level, or on their information needs.

Issue 2: Inconsistency in reporting and assurance requirements across different jurisdictions in Australia

There is inconsistency in the reporting and assurance requirements amongst jurisdictions. Although AASB 1053 *Application of Tiers of Australian Accounting Standards* allows majority of public sector entities to prepare GPFS under Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements, only some States and Territories allow Tier 2 reporting for their agencies. Some States and Territories also have Treasurer's instructions that modify the accounting standards.

Issue 3: Complex and technical reporting requirements unique to Australian Public Sector

GFS reporting

FRC issued the strategic directive to the AASB to harmonise Government Finance Statistics (GFS) and Australian Accounting Standards. GFS reporting is a measurement of the financial activities of governments and reflects the impact of those activities on other sectors of the economy as a macro-economic assessment, as specified by the Australian Bureau of Statistics (ABS).

This led to the development of AASB 1049 to specify reporting requirements for WoG and GGS to mandate that, where an accounting standard has options, the option most consistent with GFS must be used, as well as disclosing a reconciliation of GFS data and accounting-based information.

Of the eight countries reviewed, Australia is the only country that requires GFS data to be presented in the WoG financial statements. The other seven countries present GFS information on their respective government official websites and do not require the preparation of GGS financial statements.

Measuring non-financial assets at fair value

The requirement in AASB 1049 to adopt the accounting treatment most consistent with GFS means that WoG and GGS need to measure their non-financial assets at fair value, as GFS requires such assets to be measured at current market price. Therefore, the Treasurer in all States and Territories has instructed entities within the WoG and GGS to also

measure their non-financial assets at fair value. Other countries do not require public sector entities to annually fair value all their non-financial assets.

Administered items

The requirement to distinguish administered items (ie transactions managed on behalf of another entity of government, such as the ATO collecting tax on behalf of Treasury) versus controlled items is also unique to Australia. There are no International Financial Reporting Standards (IFRS Standards) or IPSASB Standards dealing specifically with administered items. There is academic research indicating whether users of government department financial reporting require such a distinction, and it is inconsistent with the practice in the private sector in accounting for a branch of an entity.

Issue 4: Linkage of financial reports with performance reports, budget accountability reporting, fiscal sustainability reporting

All Australian public sector entities prepare annual reports which consist of performance reports as well as financial statements. However, since there is no accounting standards for service performance reporting, there is no consistency across Australia in how financial information is linked to service performance outcomes.

The WoG, GGS and entities consolidated into GGS of Commonwealth and state and territory present budget information in their financial statements in accordance with AASB 1055 *Budgetary Reporting*, whereas local governments are not required to prepare budget information in accordance with accounting standards. It was noted in the research that some countries are required to prepare budget versus actual information; however, not all countries require this information to be included within the financial statements.

There is also no consistency amongst States and Territories regarding sustainability reporting. Only the Commonwealth, NSW and Tasmania are required to prepare an intergenerational report that assesses the growth of the population and how it impacts economic sustainability. All local governments are required to report on long-term sustainability – Queensland, NSW, Tasmania, South Australia and Western Australia prepare a long-term financial plans and asset management plans for a minimum of ten years, but Victoria and the Northern Territory prepare a long-term financial plan for a minimum of only three years. It is not clear how these reports are linked to financial statements.