

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**ADDITIONAL ESTIMATES 2015-16**

Finance Portfolio  
9 February 2016

**Department/Agency:** Department of Finance

**Outcome/Program:** 2/2.1

**Topic:** Publication of information within financial statements / annual reports

**Senator:** Wong

**Question reference number:** F148

**Type of question:** Written

**Date set by the committee for the return of answer:** Friday, 1 April 2016

**Number of pages:** 1

**Question:**

Has there been a change in the requirement to publish information relating to remuneration of senior executives in financial statements and annual reports? If so, can the Department detail the reasons for this change? When did this change occur?

**Answer:**

A number of changes were made to the Financial Reporting Rule (FRR) for 2014-15 financial statements, compared to the former 2013-14 Finance Minister's Orders for Financial Reporting.

The FRR brought the director/senior management personnel (executive) remuneration disclosure into alignment with the requirements of Australian Accounting Standards for the private sector. While there is currently no formal accounting standard applicable to the public sector, the FRR in effect early adopted the private sector requirements that will apply from the 2016-17 financial year and will represent financial statement best practice.

The FRR changes focused on simplifying disclosure requirements, providing appropriate accountability and transparency for government reporting, and reducing red tape in the preparation of financial statements. The changes were undertaken after consultation with reporting entities, the Department of the Prime Minister and Cabinet, and the Australian National Audit Office.

The previous presentation was not a requirement of accounting standards; it did not provide information that related to the financial statements themselves. There are a number of publicly available sources of information about executive remuneration, including the Australian Public Service Remuneration Report and Remuneration Tribunal determinations. In this context, preparation and presentation of the previous information as a disclosure note to the financial statements was resource intensive, required extensive checking, and was complex to audit.

The FRR, which was dated 4 February 2015, was tabled in both houses of Parliament as a disallowable instrument and is on the Federal Register of Legislative Instruments. The explanatory statement to the FRR explained the changes being made.