

TREASURER'S INSTRUCTION
GOVERNMENT BUSINESS ENTERPRISES ACT 1995

GBE 08-51-05
APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

BACKGROUND

Section 51 of the *Government Business Enterprises Act 1995* (GBE Act) requires a Government Business Enterprise (GBE) to keep accounting records that, comply with the Australian Accounting Standards and with the Treasurer's Instructions.

The Treasurer's Instruction modifies the application of some Standards to meet the requirements of GBEs. The Treasurer's Instruction also requires GBEs to apply Interpretations approved and issued by the Australian Accounting Standards Board (AASB). These Australian Interpretations provide timely guidance on urgent financial reporting issues.

DEFINITIONS

Words and phrases used in this Treasurer's Instruction have the same meaning as those defined in the GBE Act.

TREASURER'S INSTRUCTION

All Australian Accounting Standards and Interpretations are to apply as issued, except:

- (i) AASB 101 *Presentation of Financial Statements* and AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* or AASB 1004 *Contributions* are to be applied as modified by Treasurer's Instruction GBE 08-52-06;
- (ii) AASB 1053 *Application of Tiers of Australian Accounting Standards* all GBEs are to apply Tier 1 reporting requirements despite the application criteria of the standard;
- (iii) AASB 8 *Operating Segments* applies to all GBEs notwithstanding the exemption provided in the application criteria of the standard;
- (iv) AASB 124 *Related Party Disclosures* applies to all GBEs notwithstanding the application criteria of the Standard; and
- (v) for the purposes of AASB 124, the Portfolio Minister and the Treasurer are not deemed to be "related parties" as defined by the Standard.

Where there is conflict between the requirements of Australian Accounting Standards and Interpretations and the requirements of the GBE Act, the GBE Act will prevail.

A Board may apply to the Treasurer for a variation of or exemption from any Australian Accounting Standard or provision thereof. The application must include:

- (i) the reasons that an exemption or variation is requested; and
- (ii) the alternatives proposed.

Where authority for exemption from or variation to an Australian Accounting Standard exists, details of the exemption or variation and the alternatives authorised shall be included in a note to and forming part of the financial statements.

COMMENCEMENT DATE

This Treasurer's Instruction applies to all GBEs for the year ending 30 June 2012, and replaces Treasurer's Instruction GBE 08-51-04 *Application of Australian Accounting Standards*.