

TREASURER'S INSTRUCTION**FINANCIAL MANAGEMENT ACT 2016****CONTRIBUTIONS TO ENTITIES IN THE PUBLIC NON-FINANCIAL CORPORATIONS AND PUBLIC FINANCIAL CORPORATIONS SECTORS****COMMENCED**

1 July 2019

AMENDED

7 March 2023

SCOPE

This Treasurer's Instruction applies to all agencies listed in Column 1 of Schedule 1, Part 1 in the *Financial Management Act 2016* unless otherwise exempted or provided for under the provisions of the Act.

APPLICATION

At all times.

OBJECTIVE

To provide the Accountable Authority with direction in relation to contributions provided to entities in the Public Non-Financial Corporations and Public Financial Corporations Sectors.

INSTRUCTION

- 16.1 Unless specified otherwise in this Treasurer's Instruction, all interpretations and definitions relating to equity contributions are to be based on Australian Accounting Standard AASB 1004 *Contributions* and Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.
- 16.2 The Treasurer may designate a transfer to a Public Non-Financial Corporation or Public Financial Corporation entity as an equity contribution if satisfied that the contribution establishes a financial interest in the net assets of the entity that:
 - 16.2.1 conveys entitlement to distributions of future economic benefits by the entity during its life, such distributions being at the discretion of the ownership group or its representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up; and/or
 - 16.2.2 can be sold, transferred or redeemed.
- 16.3 Unless otherwise approved by the Treasurer, all equity investments in the Public Non-Financial Corporations and Public Financial Corporations Sectors must be held by Finance-General.

- 16.4 The Accountable Authority must ensure that a contribution is classified as an equity contribution if the contribution has been designated by the Treasurer as an equity contribution.
- 16.5 The Accountable Authority must ensure that any contribution that is not an equity contribution is classified as a grant transfer.
- 16.6 The Accountable Authority must ensure that the contribution is classified consistently by both parties. Where the Treasurer has designated a transfer as equity, the Accountable Authority is to advise the entity that the transfer is an equity contribution.

ADDITIONAL GUIDANCE

The Secretary of the Department of Treasury and Finance will provide advice to the Treasurer regarding the circumstances of the specific contribution to assist the Treasurer in making a determination.