

**Public Accounts
Committee**

Parliament of New South Wales



**Report on proposed
regulations
accompanying the
Annual Reports
(Statutory Bodies)
Act, 1984 and
Public Finance
and Audit Act,
1983.**

Report Number 13

January, 1985

The New South Wales Public Accounts Committee is composed of five members of the Legislative Assembly of the New South Wales Parliament. Its functions and powers are defined in the Public Finance and Audit Act and its role generally is to serve as a Parliamentary watchdog of government expenditure to ensure that government organisations are implementing government policy as efficiently and effectively as possible.

1985

PARLIAMENT OF NEW SOUTH WALES

PUBLIC ACCOUNTS COMMITTEE
OF THE
FORTY-EIGHTH PARLIAMENT

THIRTEENTH REPORT

Report an examination of proposed Annual Reports (Statutory Bodies) Regulation and Public Finance and Audit (Statutory Bodies) Regulation as required by Section 16(2) of the Annual Reports (Statutory Bodies) Act, 1984 and Section 63A(3) of the Public Finance and Audit Act, 1983.

MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE

Mr Bob Carr, M.P., Chairman*

Bob Carr was elected Member for Maroubra in a by-election in October, 1983. A writer in Industrial Relations with "The Bulletin" for five years, Bob Carr was a former Education Officer with the N.S.W. Labor Council (1972-78) and reporter on A.B.C. Current Affairs (1969-1972).

Mr John Aquilina, M.P., Vice-Chairman,

John Aquilina was elected Member for Blacktown in September, 1981. A high school teacher by profession, John Aquilina was a Commissioner of the Ethnic Affairs Commission for two years and the Mayor of Blacktown for four years before entering Parliament.

Mr John Murray, M.P.,

John Murray, formerly a teacher, was elected Member for Drummoyne in April, 1982. An Alderman on Drummoyne Council for three terms, John Murray was Mayor of the Council for five years, the longest time ever served continuously by a Mayor of Drummoyne. Mr Murray is also a member of the Prostitution Committee and the House Committee.

Mr Colin Fisher, M.P.,

Colin Fisher was elected Member for Upper Hunter in February, 1970. Former Minister for Local Government (1975) and Minister for Lands and Forests (1976), in opposition Colin Fisher has served as National Party Spokesman on Local Government; on Planning and Environment and on Energy.

Mr Phillip Smiles, M.P.,

Phillip Smiles was elected member for Mosman in March, 1984. A management and marketing consultant since 1974, Phillip Smiles has been involved with entrepreneurial business activities since his teens. Since entering Parliament he has been actively interested in the areas of emergency services, welfare and financial analysis.

* Mr Carr was appointed Minister for Planning and Environment on 12 December, 1984 and ceased to be a member of the Committee.

SECRETARIAT

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CHAIRMAN'S FOREWORD.

On the 17th December, 1982 the Honourable K.G. Booth, Treasurer, asked the Public Accounts Committee to examine and report to him on "the appropriateness of an Annual Reports Act to govern the accounting and reporting requirements of statutory authorities".

The Committee subsequently conducted an inquiry as requested and tabled this Report in August, 1983 (Seventh Report) recommending the introduction of an Annual Reports Act and outlining the information which the Committee considered should be required in annual reports.

In June, 1984 the Government enacted the Annual Reports (Statutory Bodies) Act and amended the Public Finance and Audit Act 1983 to include more specific provisions in relation to financial reporting. Subsequently, detailed regulations were drafted and forwarded to the Committee on the 7th November, 1984 pursuant to the Sections of the Annual Reports (Statutory Bodies) Act and the Public Finance and Audit Act which required that regulations under the legislation be referred to the Public Accounts Committee for examination and report.

The Committee is pleased to see that the majority of the recommendations contained in the Seventh Report are embodied in either the Acts or the proposed regulations that accompany them.

I strongly support the views of Mr. Michael Egan, a former Chairman of the Public Accounts Committee, on the importance of comprehensive annual reporting by statutory bodies and thoroughly compliment the continuation of this work by the former Chairman of the Public Accounts Committee, Mr. Bob Carr.

Having been a member of the Committee during the conduct of the inquiry which resulted in the Report recommending the introduction of the Annual Reports Act and the subsequent amendments to the Public Finance and Audit Act, 1983, I am strongly of the belief that such reporting will both improve the accountability of authorities to the Parliament as well as enhancing their efficiency and effectiveness.

On behalf of the Committee I commend the Treasurer on his initiatives in this area and more generally on his drive to improve the efficiency of Government operations.


John V. Aquilina, M.P.
Acting Chairman.

Public Accounts Committee



Parliament House, Sydney 2000
Telephone: 230 2111

PARLIAMENT OF NEW SOUTH WALES
LEGISLATIVE ASSEMBLY

4 January, 1985

The Hon. K. G. Booth, M.P.,
Treasurer,
3rd Floor,
Premier's Wing,
State Office Block,
Corner Bent and Macquarie Streets,
SYDNEY NSW 2000

Dear Mr Booth,

On 9 November, 1984 you wrote to the then Chairman of the Public Accounts Committee seeking the Committee's comments on Annual Reporting proposed regulations pursuant to Section 16(2) of the Annual Reports (Statutory Bodies) Act and Section 63A(3) of the Public Finance and Audit Act.

I am pleased to forward herewith the Committee's comments on the proposed regulations.

In most cases the Committee does not wish to recommend change. Where changes have been proposed these are discussed in sections 4(a) and 5(a) of this Report.

The significant alteration proposed by the Committee is the inclusion of regulations 4(k), 5(q) and 7(q) accompanying the Public Finance and Audit Act which prescribe the reporting of annual expenses and liabilities associated with deferred employee entitlements such as superannuation.

The Committee would also like to draw your attention to the need for a regulation for the reporting of investment performance of statutory authorities. This regulation has not been included here as the Committee will be making recommendations on this issue in the context of its current inquiry into the investment practices of statutory authorities. This report is expected to be completed by March, 1985.

The Committee commends your initiatives in improving the accountability and efficiency of government operations and looks forward to being of further assistance in the future.

Yours faithfully,

A handwritten signature in cursive script, appearing to read 'John Aquilina', written in dark ink.

John Aquilina, M.P.,
Acting Chairman



SYDNEY

29 NOV 1984

Mr R J Carr
Chairman
Public Accounts Committee
Parliament House
SYDNEY 2000

Dear Mr Carr

In terms of Section 16 (2) of the Annual Reports (Statutory Bodies) Act I am forwarding herewith for your Committee's examination and report, proposed regulations on the annual reporting of statutory authorities. In view of the importance of making these regulations available to statutory authorities I would appreciate it if you could provide me with your comments within 2 weeks. I might add that I have provided the Auditor General with a copy for his comment and that a further copy has been sent to the Parliamentary Counsel to ensure that the drafting is correct.

Yours sincerely

Ken Booth
TREASURER

**3. Proposed Regulations Accompanying the Annual Reports
(Statutory Bodies) Act, 1984**

a) Recommended Changes

In considering the proposed regulations the Committee not only took into account the recommendations of its Report on the Accounting and Reporting Requirements for Statutory Authorities (Seventh Report), June 1983, but also the clarity and logical layout of the proposed regulations.

The changes to the proposed regulations recommended by the Committee are -

1. Regulation 3(c) access -

Regulation to be expanded to include the business and service hours of the organisation. The Committee thought that this was information that users of the body would like to know and conforms with the recommendation regarding access in its seventh report.

2. Regulation 3(d) management and structure -

(a) Part (i) which concerns members of the statutory body to be expanded to include the period of appointment of the members. This would make the regulation more complete in its requirement of information on members and conform with the Committee's recommendation in its seventh report.

(b) Part (iii) which required details of publications dealing with the functions and activities to be deleted from this part of the regulation and to come under that part of the regulation dealing with promotion i.e. 3(m) as this would be more appropriate and is in line with other parts of regulation 3(m).

3. Regulation 3(h) - which deals with major reviews of objectives, functions or structure of the body -

That the regulation be expanded to include the outcome of the reviews and changes or proposed changes as a result of the review. The Committee thought it essential that this be included, as the outcome of the review and any subsequent changes are perhaps the most important part of the review process.

4. Regulation 3(i) management and activities

- (a) That Part (iv) dealing with major problems and issues affecting the body be expanded to include the steps taken to overcome these problems.

Reasons for this part being expanded are similar to those that regulation 3(h) be expanded.

- (b) That Part (vi) be expanded to include the reasons for any significant delays of major works or programs.

This would make the requirements of the part more complete and would aid public information as any significant delays in public sector programs or works are of interest to the public as they are to the government and to Parliament.

5. Regulation 3(s) budget outline -

That this regulation be deleted as it merely repeats the requirement of section 7 (1) (a) (iii) of the Annual Reports (Statutory Bodies) Act, 1984.

6. New regulation 3(s) post financial year information -

That a new regulation requiring details of significant post financial year matters be included. As a main purpose of annual reports is to provide information on the organisations functions and activities, the Committee considered that it would be misleading, even negligent, if the annual report did not contain details of significant post financial year matters which affect the organisation or clientele of the organisation.

The Committee is aware of the production timetable and other problems associated with producing annual reports however it feels that the statutory bodies should endeavour to include the most up-to-date information in their annual reports.

This regulation would accord with current private sector practices and that of a number of public sector authorities.

7. Regulation 5 Parliamentary printing requirements -

The proposed regulation deals with printing standards for copies of Annual Reports to be supplied to Parliament. It sought to prescribe

- (a) the size of all reports
- (b) other details relating to graphics, layout, colour and paper quality.

The Committee accepts that there is a pressing need to standardize the size of Parliamentary papers to B5 and accordingly supports this part of the regulation.

However, the Committee strongly opposes the remaining part of the proposed regulation for the following reasons. The objective of these prescriptions is not clear. If it is assumed that the objective is to reduce the costs associated with printing annual reports then this regulation will not achieve this aim. The regulation merely prescribes the form of reports to Parliament. Presumably, most statutory bodies will also wish to produce an Annual Report in full colour to match those of their rivals. Consider for example, the State Bank and the Government Insurance Office. It would be unrealistic to expect these bodies to only produce one black and white B5 Annual Report. Thus in all probability, the regulation as proposed would result in two sets of Annual Reports being produced instead of one. This clearly would increase rather than reduce costs.

Alternatively, the regulations could be so framed as to prescribe the form of all Annual Reports, not only those produced for Parliamentary distribution. This would achieve the objective of standardization as well as minimizing costs. However, the Committee would not support this approach for a number of reasons.

1. Creative reporting by statutory bodies would be unnecessarily stifled.
2. The use of colour printing often improves presentation and readability.
3. "Commercial" statutory bodies would be at a disadvantage vis-a-vis their competitors
4. Annual Reports in colour need not be excessively expensive. For example, the Metropolitan Waste Disposal Authority has produced an Annual Report for three years in succession in full colour (B5 size) which has won two gold awards for annual reporting from the Australian Institute of Management and yet has only cost \$7.50 per copy to produce (1984 report).

The Committee sympathises with the concern that some annual reports are tending to overemphasise public relations aspects. The Committee itself has produced its 1983-84 Annual Report in black-and-white and would encourage statutory bodies to do likewise where appropriate.

However, the Committee does not believe that the aesthetic features of annual reports should be prescribed. Accordingly, the Committee recommends that the second part of the regulation be deleted.

8. To accord with the Annual Reports (Statutory Bodies) Act, 1984, the words authority, authorities and authority's should be changed to body, bodies and body's wherever appearing in the legislation.

NOTE: Minor changes recommended by the Committee such as pluralisation of words etc. have not been discussed here. However, all changes recommended by the Committee are identified by bold type in the Committee's proposed regulations as amended which immediately follows.

b) Proposed Regulations as Amended

ANNUAL REPORTS (STATUTORY BODIES) ACT, 1984 - REGULATION.

HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Annual Reports (Statutory Bodies) Act, 1984, has been pleased to make the Regulation set forth hereunder.

Treasurer

Citation.

1. This Regulation may be cited as the "Annual Reports (Statutory **Bodies**) Regulation, 1984".

Interpretation.

2. In this Regulation, "the Act" means the Annual Reports (Statutory **Bodies**) Act, 1984.

Information and particulars in report of operations.

3. For the purposes of section 9 (2) of the Act, the report of operations of a statutory **body** shall include (whether in the following order and whether under the following headings or otherwise) -
 - (a) charter - a statement of the manner in which and the purpose for which the **body** was established and a statement of the legislation under which the **body** operates;
 - (b) aims and objectives - information as to what the **body** sets out to do, the range of services provided by the

body and the clientele or section of the community served by the **body**;

(c) access - the address, telephone number and **business and service hours** of the principal office or offices of the **body**;

(d) management and structure -

(i) the names of the members of the **governing body of the body**, particulars of any appropriate qualifications of the members, the method and **period** of appointment of the members, the frequency of meetings of the governing body and the attendance at these meetings; the membership of significant committees; the names of the occupants of senior offices and any appropriate qualifications of the senior staff;

(ii) an organisation chart indicating functional responsibilities within the **body**;

(e) summary review of operations, including -

(i) a narrative summary of the significant operations for the financial year highlighting the means by which and the degree of success with which the **body** has achieved its objectives;

(ii) selected financial and other quantitative information associated with the administration of programs or the operations of the **body**;

(iii) a narrative report of significant operations including where appropriate the performance measures or indicators, or both, which have been used by the **body**;

- (f) legal change - changes in legislation, regulations and significant judicial decisions affecting the **body** or the users of the services provided by the **body**;
- (g) economic or other factors - which have affected the achievement of the operational objectives of the organisation during the financial year;
- (h) information concerning any major reviews of the objectives, functions or structure of the **body** which have been carried out during the financial year **and including the outcome of the reviews and any changes or proposed changes to the body's objectives, functions or structure as a result of each review**;
- (i) management and activities, including -
 - (i) a description of the nature and range of activities undertaken;
 - (ii) where appropriate, qualitative and quantitative measures and indicators of performance showing **level of efficiency and effectiveness**;
 - (iii) statistics of key activities or programs covering a span of up to 5 years together with a narrative explanation of trends and other features of significance, where appropriate;
 - (iv) a description of the major problems and issues that have arisen affecting the **body and steps taken to overcome these problems**;
 - (v) details, lists or tables of material works in progress, the cost of those works to date and the estimated dates of completion together with particulars of significant cost overruns.

- (vi) the reasons for any amendment, **significant delays**, deferment or cancellation of major works or programs;

- (j) research and development - particulars of completed research and continuing research and development activities together with the resources allocated for that research and those activities unless such disclosure would, in the opinion of the **body**, result in commercial disadvantage to it;

- (k) prices and pricing policy - having regard to commercial considerations, where the **body** considers it appropriate, the prices, rates and charges determined by the **body** and their basis together with an explanation of any exceptions to cost recovery or the user pays principle and details of any material asset provided free of charge or at a nominal cost that has affected pricing policy;

- (l) human resources -
 - (i) the number of employees, by category, with comparison to previous financial years;

 - (ii) any exceptional movement in wages, salaries or allowances of material effect;

 - (iii) relevant personnel policies and practices, including details of staff development and training activities and initiatives or progress in ensuring continuity of management;

 - (iv) industrial relations policies and practices, including any significant or anticipated changes in working conditions or occupational health

matters, a description of relations with unions and employee associations and details of relevant industrial disputes, including cost and future implications.

(m) promotion -

(i) **A statement setting out the types of publications and other information dealing with the functions and activities of the body which are available to the public and indicating those published during the financial year;**

(ii) promotion and public relations and marketing activities undertaken, designed to develop an awareness of the **body;**

(iii) particulars of facilities available to clients or the community generally;

(iv) overseas visits undertaken together with particulars of the outcomes;

(n) consumer response - the extent and main feature of consumer complaints indicating any services improved or changed as a result of complaint or consumer suggestions made;

(o) time for provision of services - where appropriate, the standard times for providing services together with comment on any variance from standard or changes made to the standard;

(p) plans and future prospects - subject to commercial considerations details of corporate or strategic plans and an assessment, where appropriate, of the manner by which and the extent to which the external environment may impinge on the activities of the **body;**

- (q) For the purposes of Section 7 (1) (a) (iii), the detailed budget for the financial year under review shall be the first budget approved by the **body** for that financial year after consideration by the Government where such consideration is required. Any subsequent material adjustments to the budget, whether caused by factors within or outside the **body's** control, shall be explained by appropriate notes;
- (r) details of joint ventures, partnerships and the operations of subsidiaries (as defined by section 39 (1) (c) and (d) of the Public Finance and Audit Act);
- (s) **post financial year information - details of significant matters, whether being such matters as detailed in subclauses (a) to (r) or otherwise, arising after the end of the financial year and before submission of the annual report to the Minister, which affect the body or clientele of the body.**

Form of annual report.

- 4. For the purposes of section 7 of the Act, the annual report of a statutory **body** shall be effectively presented and arranged with attention given to -
 - (a) material information reported;
 - (b) an index or table of contents;
 - (c) logical sequence of information;
 - (d) appropriate layout and design;
 - (e) clear readable text;
 - (f) appropriately captioned charts, diagrams or photographs.

Format of Annual Reports for supply to Parliament.

5. The printing standards for copies of the Annual Report to be supplied to Parliament for **Parliamentary distribution** are as follows -

Size of all Reports to be I.S.O. B5.

Public Availability of Annual Reports

6. Sufficient copies of Annual Reports, apart from Parliamentary needs, shall be on hand at the offices of the **body** to meet normal public demand. Where required by the Treasurer, copies shall be provided to the N.S.W. Government Information Office for purchase by the public at a price no greater than the direct cost of production.

Exemptions

7. (a) The Treasurer may, on application by a statutory **body**, grant an exemption from any or all of the provisions of this Regulation in relation to the annual report of the **body** for that financial year.

(b) An exemption under subclause (a) may be granted subject to such conditions as the Treasurer may determine.

(c) An exemption under subclause (a) shall cease to apply where the Treasurer, by notice in writing, so informs the statutory **body** to which the exemption was granted.

(d) An exemption under subclause (a) and the reasons therefore shall be included under a separate heading entitled "Exemptions from the Reporting Provisions" in the Annual Report for the financial years in which the exemption applies.

4. Proposed Regulations Accompanying the Public Finance Audit Act, 1983.

a) Recommended Changes

In considering the proposed regulations, the Committee not only took into account the recommendations of its seventh report and Report on Superannuation Liabilities of Statutory Authorities (tenth report) but also the logical layout and clarity of the proposed regulation. The Committee gave consideration to recommending the inclusion in the regulations the requirement that statutory bodies give the rate of return on investments but has decided to defer making this recommendation until after its current inquiry into investment practices of statutory authorities is completed.

The changes to the proposed regulations recommended by the Committee are -

1. Regulations 5, 6 and 7

That the first sentence in each regulation i.e. "For the purposes of section 41 B (1) (g)" be expanded to include a reference to section 41B (1)(c)(vi) to accord with the Public Finance and Audit Act, 1983.

2. Regulations 5 (j) and (l) - share options

That these regulations be amalgamated with regulations 5(i) and (k) respectively. The amalgamation would make the requirement in regard to shares, share options etc. in two parts instead of four parts and is not only logical but makes the full requirements of the regulations easier to understand.

Regulation 4 (k) [Note original Regulation 4(k) now becomes 4(1)]

This is to provide for the recognition of expense arising in a given period in relation to deferred employee entitlements.

Regulation 5 (q)

This provides for the balance sheet recognition of unfunded past service costs, resulting from deferred employee leave entitlements, as liabilities.

Regulation 7 (1) (q)

This provides for subsidiary information concerning the assessment of deferred superannuation commitments.

5. To accord with the Public Finance and Audit Act, 1983, the words authority, authorities and authority's should be changed to body, bodies and body's wherever appearing in the legislation.

NOTE: Minor changes recommended by the Committee such as pluralisation of words etc. have not been discussed here. However all changes recommended by the Committee are identified by bold type in the Committee's proposed regulations as amended which immediately follows.

b) Proposed Regulations as Amended

PUBLIC FINANCE AND AUDIT ACT, 1983 - REGULATION.

HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Public Finance and Audit Act, 1983, has been pleased to make the Regulation set forth hereunder.

Treasurer

Citation.

1. This Regulation may be cited as the "Public Finance and Audit (Statutory **Bodies**) Regulation, 1984".

Interpretation.

2. In this Regulation, except in so far as the context or subject-matter otherwise indicates or requires -

"Australian Accounting Standard" means a statement of accounting standards issued by the National Councils of the Institute of Chartered Accountants in Australia and the Australian Society of Accountants;

"the Act" means the Public Finance and Audit Act, 1983.

Accounting Standards.

3. The financial statements shall be prepared in accordance with the Australian Accounting Standards.

Income and expenditure information.

4. For the purposes of sections 41B (1) (c) (vi) and 41B 1 (g) of the Act, there shall be shown separately in the financial statements of a statutory **body**, whether by way of note or otherwise, in addition to any other matters necessary to exhibit a true and fair view of the financial position and transactions of the **body** -

(a) the amount charged for, or set aside to a provision for depreciation, diminution in value or amortisation of -

- (i) fixed assets;
- (ii) investments; and
- (iii) intangible assets;

(b) the amount charged for, or set aside for, the renewal or replacement of fixed assets over and above the historical cost of the fixed assets, that amount being shown as an appropriation of profit;

(c) the amounts of interest paid, or due and payable, on loans, advances, debentures or deposits or otherwise;

(d) the amount set aside to any provision for known commitments which are identifiable and quantifiable;

(e) the amount set aside to any provision for doubtful debts;

(f) the amount set aside for the repayment of any loans, advances, debentures or deposits or otherwise, that amount being shown as an appropriation of profit;

- (g) appropriations, grants and subsidies, other than those of a capital nature, received by the **body** showing separately the appropriations, grants and subsidies received from the Commonwealth government and the appropriations, grants and subsidies received from the State government;
- (h) the amount of interest received or due and receivable on investments held by the **body**;
- (i) the amount of emoluments or other benefits paid or due and payable, directly or indirectly, to members or directors (however described) of the **body**, but not including amounts paid by way of salary to full-time members or directors of the **body**;
- (j) the amount paid or due and payable to the auditor for auditing services;
- (k) the full amount of expense arising in the financial year in respect of superannuation and other deferred employee entitlements calculated by reference to annual estimates of the amount of unfunded past service costs using an accrued benefits method and the amount credited to each appropriate provision. For statutory bodies whose salaries and associated costs are not met from the Consolidated Fund this expense is to be shown separately in the income and expenditure Statement.
- (l) a separate description and amount for all other material items of income and expenditure, shown where appropriate, on a program or activity basis.

Balance sheet information.

5. For the purposes of sections 41B (1) (c) (vi) and 41B (1) (g) of the Act, there shall be shown separately in the financial statements of a statutory **body**, whether by way of note or otherwise, in addition to any other matters necessary to exhibit a true and fair view of the financial position and transactions of the **body** -
- (a) the description and amount of all fixed assets, investments and capital by appropriate category with reference, where appropriate, to the basis of valuation;
 - (b) except in the case of the State Bank and the **Government Insurance Office**, the description and amount of loans, advances or otherwise due to the **body** by members, officers or employees of the **body** or relatives of members, officers or employees of the **body**; this requirement shall not apply to advances made for the purpose of carrying out official duties (e.g. travelling advances and the like);
 - (c) by the State Bank and the **Government Insurance Office**, in relation to loans and material contracts involving members of the **body**, such information as is required by the Companies Code and by the listing requirements of the Sydney Stock Exchange;
 - (d) the description and amount of loans, advances or otherwise due to the **body** by a corporation, a director of which is an officer or employee of the **body**;

- (e) the description and amount of inventories or stock on hand and the basis of valuation;
- (f) the description and amount of secured loans advanced by the **body**;
- (g) the description and amount of government and other public sector debentures, stocks, notes and bonds and other securities held by the **body** that are quoted on a stock exchange in Australia or elsewhere;
- (h) the description and amount of government and other public sector debentures, stocks, notes, bonds and other securities held by the **body** that are not quoted on a stock exchange in Australia or elsewhere;
- (i) the description and amount of shares, **share options**, debentures, stocks, notes and bonds and other securities in public corporations (not being public sector corporations) held by the **body** that are quoted on a stock exchange in Australia or elsewhere;
- (j) the description and amount of shares, **share options**, debentures, stocks, notes and bonds and other securities held by the **body** in corporations other than corporations to which paragraph (g) or (i) applies;
- (k) the description and amount of negotiable certificates of deposit and interest bearing deposits or other money market securities;
- (l) the provision for doubtful debts shown as a deduction from the asset category;

- (m) sources of funds, showing separately -
 - (i) capital acquired free of liability;
 - (ii) public borrowings;
 - (iii) State or other government advances; and
 - (iv) State or other government grants;
- (n) the description and amount of all retained earnings or accumulated funds;
- (o) the description and amount of all reserves with a separate amount shown for each description; and
- (p) the description and amount of all provisions with a separate amount shown for each provision.
- (q) the amount of unfunded past service costs in respect of superannuation and other deferred employee entitlements. For statutory bodies whose salaries and associated costs are not met from the Consolidated Fund such amounts must be shown on the face of the balance sheet.

Statement of Balances information.

6. For the purposes of sections 41B (1) (c) (vi) and 41B (1) (g) of the Act, in the case of a **body** not required to prepare a balance sheet, there shall be shown separately in the financial statements of a statutory **body** whether by way of note or otherwise, in addition to any other matters necessary to exhibit a true and fair view of the financial

position and transactions or the **body** all the matters referred to in regulation 5 except -

- . the description and amount of all fixed assets and capital
- . stores held in departments, divisions or sections of a **body** which have been issued from a central store.

Additional information shown by notes or otherwise.

7. (1) For the purposes of sections 41B (1) (c) (vi) and 41B (1) (g) of the Act, there shall be shown by way of notes or otherwise to the financial statements of a statutory **body**-

(a) in relation to -

- (i) the balance sheet or statement of balances - the basis of accounting, whether by historical cost or otherwise; and
- (ii) the income and expenditure statement or **statement of receipts and payments** - where a basis other than that of accrual accounting has been approved in respect of the **body** under section **41B** (2) of the Act, the basis so approved;

(b) details of changes in accounting policies adopted since the previous financial year;

(c) a reference to whether or not the Australian Accounting Standards have been adhered to in preparing the financial statements;

- (d) the description and estimated amount of contingent liabilities with appropriate particulars;
- (e) a schedule of debts, whether owing on public borrowings or other repayable advances, setting out those debts that are due -
 - (i) not later than 1 year;
 - (ii) later than 1 year but not later than 2 years;
 - (iii) later than 2 years but not later than 5 years;
and
 - (iv) later than 5 years,after the end of the financial year;
- (f) in respect of each liability or contingent liability, the payment of which is secured by a charge on assets of the **body**, whether registered or unregistered, a statement that it is secured and particulars as to the extent to which it is secured;
- (g) the amount and particulars of capital expenditure contracted for so far as the amount has not otherwise been accounted for;
- (h) the amount and particulars of **significant** lease or hire expenditure contracted for so far as the amount has not been provided for showing separately the amount of expenditure which is payable within 12 months after the end of the financial year;

- (i) the amount of the estimated liability for commitments other than items covered under (g) where the amount provided is less than the estimated liability, a statement of the basis of calculating the provision;
- (j) the estimated value of material assets provided free or at a nominal charge by government departments or other statutory **bodies** which has not otherwise been accounted for;
- (k) the estimated value of material assets provided free of charge or at a nominal charge by any person (not being a government department or other statutory **body**) which has not otherwise been accounted for;
- (l) the estimated amount of material expenditure incurred by government departments and other statutory **bodies** in direct support of the **body** but not charged to or accounted for by the **body**;
- (m) any non-current asset where material shown in the accounts or records of the **body** at an amount which, having regard to its value to the **body** as a going concern, exceeds the replacement cost in current condition at the end of the financial year and, when adequate provision for writing down that asset, is not made, such information or explanations shall be included as will prevent the accounts from being misleading by reason of the overstatement of the amount of that asset;
- (n) where investments held are quoted on a stock exchange in Australia or elsewhere, a separate total for each

class of quoted investment and, in respect of each such class, the aggregate quoted market value calculated on the officially quoted market "buyer" price as at the end of the financial year net of the prevailing transfer costs and commissions;

(o) in respect of all fixed assets, investments, inventories, stock on hand and work-in-progress shown in the financial statements, the method of arriving at the separate amount of the asset and, where more than one method is used, a separate total in respect of each class of non-current asset shown in the financial statements setting out -

(i) the cost of the non-current assets of that class or (at the discretion of the **body**) where the non-current assets of that class have been valued, the amount at which they have been valued and, where the valuation applies only to a part of a class, separate totals for such of the non-current assets of that class as have been so valued and for the remainder of the non-current assets of that class;

(ii) the aggregate amount written off in respect of each class or part of a class since the date of acquisition or valuation, as the case may be;

(iii) the difference between the amounts shown under subparagraph (i) and subparagraph (ii).

(p) a statement of the purpose, nature, restriction or basis of reserves; and

(q) The following information concerning superannuation liabilities and expenses:

- (i) The amount of unfunded past service costs as at the date of the most recent actuarial assessment
- (ii) The date of the most recent actuarial report upon which calculations of superannuation liability and expense were based;
- (iii) The following assumptions adopted by the actuary:
 - Interest Rates
 - Rate of Increase in the Consumer Price Index
 - Rate of Salary Increases;
- (iv) The effect on the calculation of the amount of unfunded past service costs of the adoption of different values for the key economic assumptions and any other assumptions that the actuary considered to be of critical importance;
- (v) Any material changes in the terms and conditions of the superannuation scheme since the date of the last actuarial report;
- (vi) The amount of any superannuation expenditure carried forward in the financial year as part of the cost of capital works.

(2) Where the financial statements of a statutory **body** could be misleading by reason of a failure to explain the method used to account for, or calculate the amount of, any item or information included in or excluded from the financial statements, there shall be stated (whether by way of note or otherwise) the method used to account for, or calculate, the amount of the item or information.

(3) Details of significant matters arising after the end of the financial year and before submission of certified financial statements to the Minister, whether being such matters as detailed elsewhere in this regulation or otherwise, which could have a significant effect on the financial operations of the body.

Inclusion of corresponding amounts for previous financial year.

8. (1) For the purposes of section 41B (1) (c) (vi) of the Act, except in the case of the first year of existence of a statutory **body**, there shall be shown for each item appearing in the financial statements of the **body** or in the notes to those statements the corresponding amount for the preceding financial year or balance date.

(2) Where the financial statements do not contain an item corresponding to an item in the statements for the preceding financial year or balance date, the previous item and the amount of that item shall be shown in the statements.

Source and application of funds statement.

9. There shall be shown in the source and application of funds statement, where possible, in accordance with the total resources concept of funds, major sources of funds and major applications of funds having regard to the programs or activities of the **body** for the financial year to which the financial statements relate, together with comparative amounts for the preceding financial year.

Rounding Off.

10. Where appropriate, amounts shown in financial statements may be expressed by reference to the nearest \$1000.

Certification.

11. For the purposes of Section 41B (1) (f), the statement shall

- (a) certify that the financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, this Regulation and any Directions issued by the Treasurer under the Public Finance and Audit Act, 1983, **where the Directions are applicable to the body.**

- (b) State that in the opinion of the signatories the financial statements exhibit a true and fair view of the financial position and transactions of the statutory body and, in the case of a statutory body being the Senate or Council of a university, of the financial position and transactions of the university.

- (c) State whether at the date of signing the statements the signatories are aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.

Exemptions

12. (1) The Treasurer may, on application by a statutory **body**, grant an exemption from any or all of the provisions of this Regulation in relation to the financial statements of the **body** for that financial year.
- (2) An exemption under subclause (1) may be granted subject to such conditions as the Treasurer may determine.
- (3) An exemption under subclause (1) shall cease to apply where the Treasurer, by notice in writing, so informs the statutory **body** to which the exemption was granted.
- (4) An exemption under subclause (1) and the reasons therefore shall be included as a separate Note in the Notes to the Financial Statements for the financial years in which the exemption applies.

APPENDIX "A"

Draft Regulations forwarded by Treasurer's Office

ANNUAL REPORTS (STATUTORY BODIES) ACT, 1984 - REGULATION.

HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Annual Reports (Statutory Authorities) Act, 1984, has been pleased to make the Regulation set forth hereunder.

Treasurer

Citation.

1. This Regulation may be cited as the "Annual Reports (Statutory Authorities) Regulation, 1984".

Interpretation.

2. In this Regulation, "the Act" means the Annual Reports (Statutory Authorities) Act, 1984.

Information and particulars in report of operations.

3. For the purposes of section 9 (2) of the Act, the report of operations of a statutory authority shall include (whether in the following order and whether under the following headings or otherwise) -
 - (a) charter - a statement of the manner in which and the purpose for which the authority was established and a statement of the legislation under which the authority operates;
 - (b) aims and objectives - information as to what the authority sets out to do, the range of services provided

by the authority and the clientele or section of the community served by the authority;

- (c) access - the address and telephone number of the principal office or offices of the authority;
- (d) management and structure -
 - (i) the names of the members of the authority, particulars of any appropriate qualifications of the members of the governing body, the method of appointment of the members, the frequency of meetings of the governing body and the attendance at these meetings; the membership of significant committees; the names of the occupants of senior offices and any appropriate qualifications of the senior staff;
 - (ii) an organisation chart indicating functional responsibilities within the authority;
 - (iii) A statement setting out the types of publications and other information dealing with the functions and activities of the body which were published during the financial year.
- (e) summary review of operations, including -
 - (i) a narrative summary of the significant operations for the financial year highlighting the means by which and the degree of success with which the authority has achieved its objectives;
 - (ii) selected financial and other quantitative information associated with the administration of programs or the operations of the authority; and

- (iii) a narrative report of significant operations including where appropriate the performance measures or indicators, or both, which have been used by the authority;
- (f) legal change - changes in legislation, regulations and significant judicial decisions affecting the authority or the users of the services provided by the authority;
- (g) economic or other factors - which have affected the achievement of the operational objectives of the organisation during the financial year.
- (h) information concerning any major reviews of the objectives, functions or structure of the body which have been carried out during the financial year
- (i) management and activities, including -
 - (i) a description of the nature and range of activities undertaken;
 - (ii) where appropriate, qualitative and quantitative measures and indicators of performance showing efficiency and effectiveness;
 - (iii) statistics of key activities or programs covering a span of up to 5 years together with a narrative explanation of trends and other features of significance, where appropriate;
 - (iv) a description of the major problems and issues that have arisen affecting the authority;

- (v) details, lists or tables of material works in progress, the cost of those works to date and the estimated dates of completion together with particulars of significant cost overruns in major works or programs;
- (vi) the reasons for any amendment, deferment or cancellation of major works or programs;
- (j) research and development - particulars of completed research and continuing research and development activities together with the resources allocated for that research and those activities unless such disclosure would, in the opinion of the authority, result in commercial disadvantage to it;
- (k) prices and pricing policy - having regard to commercial considerations, where the authority considers it appropriate, the prices, rates and charges determined by the authority and their bases together with an explanation of any exceptions to cost recovery or the user pays principle and details of any material asset provided free of charge or at a nominal cost that has affected pricing policy;
- (l) human resources -
 - (i) the number of employees, by category, with comparison to previous financial years;
 - (ii) any exceptional movement in wages, salaries or allowances of material effect;
 - (iii) relevant personnel policies and practices, including details of staff development and training activities and initiatives or progress in ensuring continuity of management; and

- (iv) industrial relations policies and practices, including any significant or anticipated changes in working conditions or occupational health matters, a description of relations with unions and employee associations and details of relevant industrial disputes, including cost and future implications;

- (m) promotion -
 - (i) promotion and public relations and marketing activities undertaken, designed to develop an awareness of the authority;

 - (ii) particulars of facilities available to clients or the community generally; and

 - (iii) overseas visits undertaken together with particulars of the outcomes;

- (n) consumer response - the extent and main feature of consumer complaints indicating any services improved or changed as a result of complaint or consumer suggestions made;

- (o) time for provision of services - where appropriate, the standard times for providing services together with comment on any variance from standard or changes made to the standard;

- (p) plans and future prospects - subject to commercial considerations details of corporate or strategic plans and an assessment, where appropriate of the manner by which and the extent to which the external environment may impinge on the activities of the authority; and

- (q) For the purposes of Section 7 (1) (a) (iii), the detailed budget for the financial year under review shall be the first budget approved by the authority for that financial year after consideration by the Government where such consideration is required. Any subsequent material adjustments to the budget, whether caused by factors within or outside the authority's control, shall be explained by appropriate notes.
- (r) details of joint ventures, partnerships and the operations of subsidiaries (as defined by section 39 (1) (c) and (d) of the Public Finance and Audit Act).
- (s) budget outline - a budget outline for the financial year following the financial year referred to in the financial statements comprising part of the annual report of the authority.

Form of annual report.

- 4. For the purposes of section 7 of the Act, the annual report of a statutory authority shall be effectively presented and arranged with attention given to -
 - (a) material information reported;
 - (b) an index or table of contents;
 - (c) logical sequence of information;
 - (d) appropriate layout and design;
 - (e) clear readable text; and

- (f) appropriately captioned charts, diagrams or photographs.

Format of Annual Reports for Supply to Parliament.

- 5. The printing standards for copies of the Annual Report to be supplied to Parliament are as follows -

Size of all Reports to be I.S.O. B5.

One or two columns per page; Black and White printing only; Line/Tone illustrations to conform to printed page dimensions. Half-tone illustrations to comprise no more than equivalent of 4 pages in a 64 page report.

Text: White Offset or Dull Art paper. One or two colour cover.

Public Availability of Annual Reports.

- 6. Sufficient copies of Annual Reports, apart from Parliamentary needs, shall be on hand at the offices of the Authority to meet normal public demand. Where required by the Treasurer copies shall be provided to the N.S.W. Government Information Office for purchase by the Public at a price no greater than the direct cost of production.

Exemptions

- 7. (1) The Treasurer may, on application by a statutory authority, grant an exemption from any or all of the provisions of this Regulation in relation to the annual report of the authority for that financial year.

- (2) An exemption under subclause (1) may be granted subject to such conditions as the Treasurer may determine.
- (3) An exemption under subclause (1) shall cease to apply where the Treasurer, by notice in writing, so informs the statutory authority to which the exemption was granted.
- (4) An exemption under subclause (1) and the reasons therefor shall be included under a separate heading entitled "Exemptions from the Reporting Provisions" in the Annual Report for the financial years in which the exemption applies.

APPENDIX B

Draft Regulations forwarded by Treasurer's Office

PUBLIC FINANCE AND AUDIT ACT, 1983 - REGULATION

HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Public Finance and Audit Act, 1983, has been pleased to make the Regulation set forth hereunder.

Treasurer

Citation.

1. This Regulation may be cited as the "Public Finance and Audit (Statutory Authorities) Regulation, 1984.

Interpretation.

2. In this Regulation, except in so far as the context or subject-matter otherwise indicates or requires -

"Australian Accounting Standard" means a statement of accounting standards issued by the National Councils of The Institute of Chartered Accountants in Australia and the Australian Society of Accountants;

"the Act" means the Public Finance and Audit Act, 1983.

Accounting Standards.

3. The financial statements shall be prepared in accordance with the Australian Accounting Standards.

Income and expenditure information.

4. For the purposes of section 41B (1) (c) (vi) of the Act, there shall be shown separately in the financial statements of a statutory authority, whether by way of note or otherwise, in addition to any other matters necessary to exhibit a true and fair view of the financial position and transactions of the authority -
- (a) the amount charged for, or set aside to a provision for depreciation, diminution in value or amortisation of -
 - (i) fixed assets;
 - (ii) investments; and
 - (iii) intangible assets;
 - (b) the amount charged for, or set aside for, the renewal or replacement of fixed assets over and above the historical cost of the fixed assets, that amount being shown as an appropriation of profit;
 - (c) the amounts of interest paid, or due and payable, on loans, advances, debentures or deposits or otherwise;
 - (d) the amount set aside to any provision for known commitments which are identifiable and quantifiable;
 - (e) the amount set aside to any provision for doubtful debts;
 - (f) the amount set aside for the repayment of any loans, advances, debentures or deposits or otherwise, that amount being shown as an appropriation of profit;

- (g) appropriations, grants and subsidies, other than those of a capital nature, received by the authority showing separately the appropriations, grants and subsidies received from the Commonwealth government and the appropriations, grants and subsidies received from the State government;
- (h) the amount of interest received or due and receivable on investments held by the authority;
- (i) the amount of emoluments or other benefits paid or due and payable, directly or indirectly, to members or directors (however described) of the authority, but not including amounts paid by way of salary to full-time members or directors of the authority;
- (j) the amount paid or due and payable to the auditor for auditing services; and
- (k) a separate description and amount for all other material items of income and expenditure, shown where appropriate, on a program or activity basis.

Balance sheet information.

5. For the purposes of section 41B (1) (g) of the Act, there shall be shown separately in the financial statements of a statutory authority, whether by way of note or otherwise, in addition to any other matters necessary to exhibit a true and fair view of the financial position and transactions of the authority -

- (a) the description and amount of all fixed assets, investments and capital by appropriate category with reference, where appropriate, to the basis of valuation;

- (b) except in the case of the State Bank and the G.I.O. the description and amount of loans, advances or otherwise due to the authority by members, officers or employees of the authority or relatives of members, officers or employees of the authority; this requirement shall not apply to advances made for the purpose of carrying out official duties (e.g. travelling advances and the like).
- (c) By the State Bank and the G.I.O., in relation to loans and material contracts involving members of the authority, such information as is required by the Companies Code and by the listing requirements of the Sydney Stock Exchange.
- (d) the description and amount of loans, advances or otherwise due to the authority by a corporation, a director of which is an officer or employee of the authority;
- (e) the description and amount of inventories or stock on hand and the basis of valuation;
- (f) the description and amount of secured loans advanced by the authority;
- (g) the description and amount of government and other public sector debentures, stocks, notes and bonds and other securities held by the authority that are quoted on a stock exchange in Australia or elsewhere;
- (h) the description and amount of government and other public sector debentures, stocks, notes, bonds and other securities held by the authority that are not quoted on a stock exchange in Australia or elsewhere;

- (i) the description and amount of shares, debentures, stocks, notes and bonds and other securities in public corporations (not being public sector corporations) held by the authority that are quoted on a stock exchange in Australia or elsewhere;
- (j) the description and amount of share options in public corporations (not being public sector corporations) held by the authority that are quoted on a stock exchange in Australia or elsewhere;
- (k) the description and amount of shares, debentures, stocks, notes and bonds and other securities held by the authority in corporations other than corporations to which paragraph (g) or (i) applies;
- (l) the description and amount of share options held by the authority in corporations other than corporations to which paragraph (g) or (i) applies;
- (m) the description and amount of negotiable certificates of deposit and interest bearing deposits or other money market securities;
- (n) the provision for doubtful debts shown as a deduction from the asset category;
- (o) sources of funds, showing separately -
 - (i) capital acquired free of liability;
 - (ii) public borrowings;
 - (iii) State or other government advances; and
 - (iv) State or other government grants;

- (p) the description and amount of all retained earnings or accumulated funds;
- (q) the description and amount of all reserves with a separate amount shown for each description; and
- (r) the description and amount of all provisions with a separate amount shown for each provision.

Statement of Balances information.

6. For the purposes of section 41B (1) (g) of the Act, in the case of an authority not required to prepare a balance sheet, there shall be shown separately in the financial statements of a statutory authority, whether by way of note or otherwise, in addition to any other matters necessary to exhibit a true and fair view of the financial position and transactions of the authority all the matters referred to in regulation 4 except -

- . the description and amount of all fixed assets and capital
- . stores held in departments, divisions or sections of an authority which have been issued from a central store.

Additional information shown by notes or otherwise.

7. (1) For the purposes of section 41B (1) (g) of the Act, there shall be shown by way of notes or otherwise to the financial statements of a statutory authority -

- (a) the description and estimated amount of contingent liabilities with appropriate particulars;

(b) in relation to -

- (i) the balance sheet or statement of balances - the basis of accounting, whether by historical cost or otherwise; and
 - (ii) the income and expenditure statement or profit and loss account - where a basis other than that of accrual accounting has been approved in respect of the authority under section 13 (2) of the Act, the basis so approved;
- (c) details of changes in accounting policies adopted since the previous financial year;
- (d) a reference to whether or not the Australian Accounting Standards have been adhered to in preparing the financial statements;
- (e) the amount and particulars of capital expenditure contracted for so far as the amount has not otherwise been accounted for;
- (f) the amount and particulars of lease or hire expenditure contracted for so far as the amount has not been provided for showing separately the amount of expenditure which is payable within 12 months after the end of the financial year;
- (g) the estimated value of material assets provided free or at a nominal charge by government departments or other statutory authorities which has not otherwise been accounted for;
- (h) the estimated value of material assets provided free of charge or at a nominal charge by any person (not being a

government department or other statutory authority) which has not otherwise been accounted for;

- (i) the estimated amount of material expenditure incurred by government departments and other statutory authorities in direct support of the authority but not charged to or accounted for by the authority;
- (j) any non-current asset where material shown in the accounts or records of the authority at an amount which, having regard to its value to the authority as a going concern, exceeds the replacement cost in current condition at the end of the financial year and, when adequate provision for writing down that asset is not made, such information or explanations shall be included as will prevent the accounts from being misleading by reason of the overstatement of the amount of that asset;
- (k) where investments held are quoted on a stock exchange in Australia or elsewhere, a separate total for each class of quoted investment and, in respect of each such class, the aggregate quoted market value calculated on the officially quoted market "buyer" price as at the end of the financial year net of the prevailing transfer costs and commissions;
- (l) a schedule of debts, whether owing on public borrowings or other repayable advances, setting out those debts that are due -

- (i) not later than 1 year;

- (ii) later than 1 year but not later than 2 years;

- (iii) later than 2 years but not later than 5 years;
- and

(iv) later than 5 years,

after the end of the financial year;

(m) in respect of each liability or contingent liability, the payment of which is secured by a charge on assets of the authority, whether registered or unregistered, a statement that it is secured and particulars as to the extent to which it is secured;

(n) a statement of the basis of providing for commitments other than items covered under (e) where the amount provided is less than the estimated liability;

(o) a statement of the purpose, nature, restriction or basis of reserves; and

(p) in respect of all fixed assets, investments, inventories, stock on hand and work-in-progress shown in the financial statements, the method of arriving at the separate amount of the asset and, where more than one method is used, a separate total in respect of each class of non-current asset shown in the financial statements setting out -

(i) the cost of the non-current assets of that class or (at the discretion of the authority) where the non-current assets of that class have been valued, the amount at which they have been valued and, where the valuation applies only to a part of a class, separate totals for such of the non-current assets of that class as have been so valued and for the remainder of the non-current assets of that class;

(ii) the aggregate amount written off in respect of each class or part of a class since the date of acquisition or valuation, as the case may be; and

(iii) the difference between the amounts shown under subparagraph (i) and subparagraph (ii).

(2) Where the financial statements of a statutory authority could be misleading by reason of a failure to explain the method used to account for, or calculate the amount of, any item or information included in or excluded from the financial statements, there shall be stated (whether by way of note or otherwise) the method used to account for, or calculate, the amount of the item or information.

Inclusion of corresponding amounts for previous financial year.

8. (1) For the purposes of section 41B (1) (g) of the Act, except in the case of the first year of existence of a statutory authority, there shall be shown for each item appearing in the financial statements of the authority or in the notes to those statements the corresponding amount for the preceding financial year or balance date.

(2) Where the financial statements do not contain an item corresponding to an item in the statements for the preceding financial year or balance date, the previous item and the amount of that item shall be shown in the statements.

Source and application of funds statement.

9. There shall be shown in the source and application of funds statement, where possible, in accordance with the total resources concept of funds, major sources of funds and major applications of funds having regard to the programs or

activities of the authority for the financial year to which the financial statements relate, together with comparative amounts for the preceding financial year.

10. Rounding Off

Where appropriate, amounts shown in financial statements may be expressed by reference to the nearest \$1000.

11. Certification

For the purposes of Section 41B (1) (g), the statement shall

- (a) certify that the financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, this Regulation and any Directions issued by the Treasurer under the Public Finance and Audit Act, 1983.
- (b) State that in the opinion of the signatories the financial statements exhibit a true and fair view of the financial position and transactions of the statutory body and, in the case of a statutory body being the Senate or Council of a university, of the financial position and transactions of the university.
- (c) State whether at the date of signing the statements the signatories are aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.

12. Exemptions

- (1) The Treasurer may, on application by a statutory authority, grant an exemption from any or all of the provisions of this Regulation in relation to the financial statements of the authority for that financial year.

- (2) An exemption under subclause (1) may be granted subject to such conditions as the Treasurer may determine.
- (3) An exemption under subclause (1) shall cease to apply where the Treasurer, by notice in writing, so informs the statutory authority to which the exemption was granted.
- (4) An exemption under subclause (1) and the reasons therefore shall be included as a separate Note in the Notes to the Financial Statements for the financial years in which the exemption applies.