

QUEENSLAND TREASURY

Financial Reporting Requirements for Queensland Government Agencies

**For reporting periods beginning
on or after 1 July 2025**

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1.0 Introduction

These Financial Reporting Requirements for Queensland Government Agencies (FRRs), including the Sunshine Department Illustrative Financial Statements and Future Bay Regional Health Foundation Illustrative Financial Statements, have been issued to assist agencies in the preparation of their annual financial statements and to ensure consistency in presentation across agencies.

The FRRs are not intended to duplicate or replace the Australian Accounting Standards Board (AASB) pronouncements, nor requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*. Therefore, it is imperative that agencies comply with all relevant requirements in those documents when preparing their annual financial statements.

In instances where additional disclosures or modification of the illustrative financial statements are imposed through an alternative authority, or would enhance transparency, accountability and user relevance, agency statements should be varied to the extent necessary but so as to still comply with the policies identified as mandatory throughout Chapters 2-5 of the FRRs. If an agency believes that the requirements inhibit transparency and accountability or represent a departure from Australian Accounting Standards, the matter should be referred to Queensland Treasury's Financial Management Support Centre at fmcsupport@treasury.qld.gov.au.

These FRRs consist of six distinct chapters:

Chapter 1 – This introduction.

Chapter 2 – Basis of Preparation – containing mandatory policies and non-mandatory guidance on fundamental presentation matters regarding financial statements as a whole.

Chapter 3 – Financial Performance – containing mandatory policies and non-mandatory guidance on matters pertaining to the Statement of Comprehensive Income.

Chapter 4 – Financial Position - containing mandatory policies and non-mandatory guidance on matters relating to the Statement of Financial Position.

Chapter 5 – Other Disclosure Requirements – mandatory policies and non-mandatory guidance on topics beyond the scope of Chapters 2-4.

Chapter 6A - Provides an example set of financial statements, the *Sunshine Department Illustrative Financial Statements*, for those agencies that are consolidated into the whole-of-Government financial statements. These illustrative statements comply with the FRRs and AASB pronouncements. To assist agencies in the preparation of their annual financial statements, a reference is located in the left-hand margin to the relevant FRRs, AASB standard or Australian Interpretation as the authority for the accounting treatment or disclosure illustrated.

Chapter 6B - Provides an example set of financial statements, the *Future Bay Regional Health Foundation Illustrative Financial Statements*, for statutory bodies that elect to adopt the AASB's reduced disclosure requirements (Tier 2), in accordance with FRR 2A.5. These illustrative statements comply with the FRRs and Australian Accounting Standards – Reduced Disclosure Requirements. Consistent with the *Sunshine Department Illustrative Financial Statements*, a reference is located in the left-hand margin to the relevant FRRs, AASB standard or Australian Interpretation, as the authority for the accounting treatment or disclosure illustrated.

2.0 Application

These FRRs apply to all departments. To the extent relevant, statutory bodies within the Queensland public sector must comply with the contents of the FRRs identified as mandatory throughout Chapters 2-5 when they apply to the statutory body circumstances. The FRRs do not apply to entities subject to the reporting requirements of the *Corporations Act 2001*. For the purpose of the FRRs, all applicable reporting entities are referred to as 'agencies'.

2.1 Legislative Basis of Requirements

The *Financial Accountability Act 2009* (FA Act) and its subordinate legislation, the *Financial and Performance Management Standard 2019* (FPMS), provide the legislative basis for the requirement for departments and statutory bodies to prepare general purpose financial statements and prescribe the requirements under which these statements are prepared.

2.2 The Financial Reporting Framework

The FRR disclosure requirements and illustrative financial statements are based on AASB pronouncements including:

- the *Framework for the Preparation and Presentation of Financial Statements* ("The Framework" or "FPPFS") **applicable to not-for-profit (NFP) entities; or**
- The Conceptual Framework ("Conceptual Framework") **applicable to for-profit (FP) entities; and**
- Statements of accounting concepts (SACs);
- Australian Accounting Standards; and
- Australian Accounting Standards Board Interpretations.

The *Sunshine Department Illustrative Financial Statements* (Tier 1) and *Future Bay Regional Health Foundation Illustrative Financial Statements* (Tier 2) are example 'general purpose financial statements'. General purpose financial statements are intended to meet the needs of external users who rely on the information contained in the statements to assess the agency's financial performance, financial position and cash flows. The illustrative statements are based on three key principles:

- **Accountability** - The accountable officer/chief executive officer/chairperson of each agency is responsible for the efficient and effective use of the agency's resources. An agency may also undertake trustee duties or duties as an agent for other entities. The financial statements of the agency are intended to fairly and truthfully represent such activities for the financial year.
- **Compliance** - Financial statements must comply with relevant legislation, applicable AASBs and other prescribed requirements, and the minimum reporting requirements (included in Chapters 2-5) to the extent these apply to departments and statutory bodies.
- **Comparability** - Financial statements must provide information that is comparable between the current and previous financial years and on a cross-agency basis.

Framework for the Preparation and Presentation of Financial Statements and Conceptual Framework

Both the Framework and the Conceptual Framework set out the objective of general purpose financial reporting and qualitative characteristics of useful financial information. The various Australian Accounting Standards expand on the Framework and the Conceptual Framework and address key issues on accounting and reporting that agencies must comply with.

SAC 1 *Definition of the Reporting Entity*

SAC 1 does not apply to for-profit entities who apply the Conceptual Framework. SAC 1 only remains effective for not-for-profit entities alongside the Framework for the Preparation and Presentation of Financial Statements.

SAC 1 describes a reporting entity as an entity for which it is reasonable to expect the existence of users dependent on general purpose financial statements for the information which will be useful to them for making and evaluating decisions about the allocation of scarce resources. SAC 1 also states that if an entity qualifies as a reporting entity, it should prepare general purpose financial statements in accordance with the SACs and AASBs.

Australian Accounting Standards

The AASB implemented the Financial Reporting Council's (FRC) policy of adopting the standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005. The AASB continues to issue sector-neutral standards, that is, like transactions and events should be accounted for and reported in the same manner by all entities, regardless of their FP or NFP status.

Some accounting standards contain Australian-specific paragraphs, indicated at the start of the paragraph as 'Aus'. These 'Aus' paragraphs provide additional guidance for NFP entities whilst others contain alternative treatment to those in the corresponding IASB standard. If an entity adopts an 'Aus' accounting treatment, the entity will comply with the Australian Accounting Standards, in accordance with paragraph 7 of AASB 1054 Australian Additional Disclosures, but depart from the corresponding IASB standard. As such, the entity will not be able to make an explicit and unreserved statement of compliance with IFRS. A qualified statement of compliance with IFRS is not appropriate.

AASB Interpretations

The AASB has direct responsibility for developing and approving all Interpretations, including the formation of topic-specific advisory panels with the purpose of making recommendations for consideration by the AASB. All Australian Interpretations have equal authoritative status and must be applied where relevant.

3.0 Australian Accounting Standards Board Pronouncements (based on pronouncements issued as at 31 May 2026)

This section clarifies which Australian Accounting Standards and Interpretations are applicable to the current reporting period, and which new and amended standards and interpretations have future application dates. Where new or amended accounting standards or interpretations contain any provisions likely to require early consideration and preparation/planning by most agencies, early advice of such amendments is also set out.

Agencies must comply with the latest prescribed accounting standards issued by the Australian Accounting Standards Board (AASB). 'Prescribed accounting standards' is defined in s.59(6) of the *Financial Accountability Act 2009* to include the following documents published by the AASB: Australian Accounting Standards; Statement of Accounting Concepts; Interpretations; and the *Framework for the Preparation and Presentation of Financial Statements*. This section lists those accounting standards and interpretations that must be complied with by agencies.

Note that only limited detail has been provided regarding significant accounting changes. Each agency is expected to review all new/amended accounting standards and interpretations for the full ambit of changes and the consequences for their agency's circumstances.

3.1 Australian Accounting Standards to apply in 2025-26

Refer to the AASB website (<https://standards.aasb.gov.au/accounting-standards>) for clarification of the version of these standards applicable to this financial year.

No.	Standard Title
---	<i>Framework for the Preparation and Presentation of Financial Statements</i> (NFP entities only)
---	<i>Conceptual Framework for Financial Reporting</i> (FP entities only)
AASB 1	<i>First-time Adoption of Australian Accounting Standards</i>
AASB 2	<i>Share-based Payment</i> *
AASB 3	<i>Business Combinations</i>
AASB 4	<i>Insurance Contracts</i>
AASB 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
AASB 6	<i>Exploration for and Evaluation of Mineral Resources</i> *
AASB 7	<i>Financial Instruments: Disclosures</i>
AASB 8	<i>Operating Segments</i> *
AASB 9	<i>Financial Instruments</i>
AASB 10	<i>Consolidated Financial Statements</i>
AASB 11	<i>Joint Arrangements</i>
AASB 12	<i>Disclosure of Interests in Other Entities</i>
AASB 13	<i>Fair Value Measurement</i>
AASB 14	<i>Regulatory Deferral Accounts</i> *
AASB 15	<i>Revenue from Contracts with Customers</i>
AASB 16	<i>Leases</i>
AASB 101	<i>Presentation of Financial Statements</i>
AASB 102	<i>Inventories</i>
AASB 107	<i>Statement of Cash Flows</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 110	<i>Events after the Reporting Period</i>
AASB 112	<i>Income Taxes</i>
AASB 116	<i>Property, Plant and Equipment</i>
AASB 119	<i>Employee Benefits</i>
AASB 120	<i>Accounting for Government Grants and Disclosure of Government Assistance</i>
AASB 121	<i>The Effects of Changes in Foreign Exchange Rates</i>
AASB 123	<i>Borrowing Costs</i>
AASB 124	<i>Related Party Disclosures</i>
AASB 127	<i>Separate Financial Statements</i>
AASB 128	<i>Investments in Associates and Joint Ventures</i>
AASB 129	<i>Financial Reporting in Hyperinflationary Economies</i> *
AASB 132	<i>Financial Instruments: Presentation</i>
AASB 133	<i>Earnings per Share</i> *
AASB 134	<i>Interim Financial Reporting</i> *
AASB 136	<i>Impairment of Assets</i>
AASB 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>
AASB 138	<i>Intangible Assets</i>
AASB 139	<i>Financial Instruments: Recognition and Measurement</i>

No.	Standard Title
AASB 140	<i>Investment Property</i>
AASB 141	<i>Agriculture</i>
AASB 1004	<i>Contributions</i>
AASB 1023	<i>General Insurance Contracts</i>
AASB 1038	<i>Life Insurance Contracts</i>
AASB 1039	<i>Concise Financial Reports *</i>
AASB 1048	<i>Interpretation of Standards</i>
AASB 1049	<i>Whole of Government and General Government Sector Financial Reporting *</i>
AASB 1050	<i>Administered Items</i>
AASB 1051	<i>Land Under Roads</i>
AASB 1052	<i>Disaggregated Disclosures</i>
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i>
AASB 1054	<i>Australian Additional Disclosures</i>
AASB 1055	<i>Budgetary Reporting</i>
AASB 1056	<i>Superannuation Entities</i>
AASB 1057	<i>Application of Australian Accounting Standards</i>
AASB 1058	<i>Income of Not-for-Profit Entities</i>
AASB 1059	<i>Service Concession Arrangements: Grantors</i>
AASB 1060	<i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>

The following *Amendments to Australian Accounting Standards* are effective for the first time in 2025-26:

AASB 2023-5	<i>Lack of Exchangeability</i>
AASB 2024-4	<i>Effective Date of Amendments to AASB 10 and AASB 128</i>
AASB 2026-1	<i>Disclosures about Uncertainties in the Financial Statements</i>

* Not applicable or not relevant to departments and statutory bodies

3.2 AASB Interpretations to apply in 2025-26

Refer to the AASB website (<https://standards.aasb.gov.au/interpretations>) for clarification of the version of these interpretations applicable to this financial year.

No.	Interpretation Title
INT 1	<i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>
INT 2	<i>Members' Shares in Co-operative Entities and Similar Instruments *</i>
INT 5	<i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>
INT 6	<i>Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment *</i>
INT 7	<i>Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies *</i>
INT 10	<i>Interim Financial Reporting and Impairment *</i>
INT 12	<i>Service Concession Arrangements</i>
INT 14	<i>AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>
INT 16	<i>Hedges of a Net Investment in a Foreign Operation</i>
INT 17	<i>Distributions of Non-cash Assets to Owners</i>
INT 19	<i>Extinguishing Financial Liabilities with Equity Instruments *</i>
INT 20	<i>Stripping Costs in the Production Phase of a Surface Mine *</i>
INT 21	<i>Levies</i>
INT 22	<i>Foreign Currency Transactions and Advance Consideration</i>
INT 23	<i>Uncertainty over Income Tax Treatments</i>
INT 107	<i>Introduction of the Euro</i>
INT 110	<i>Government Assistance – No Specific Relation to Operating Activities</i>
INT 125	<i>Income Taxes – Changes in the Tax Status of an Entity or its Shareholders</i>
INT 129	<i>Service Concession Arrangements: Disclosures</i>
INT 132	<i>Intangible Assets – Web Site Costs</i>
INT 1003	<i>Australian Petroleum Resource Rent Tax</i>
INT 1019	<i>The Superannuation Contributions Surcharge</i>
INT 1030	<i>Depreciation of Long-Lived Physical Assets: Condition-Based Depreciation and Related Methods</i>
INT 1031	<i>Accounting for the Goods and Services Tax (GST)</i>
INT 1038	<i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i>
INT 1052	<i>Tax Consolidation Accounting</i>
INT 1055	<i>Accounting for Road Earthworks</i>

* Not applicable or not relevant to departments and statutory bodies

3.3 New and amended Accounting Standards and Interpretations that apply to reporting periods beginning on or after 1 January 2026

No.	Title	Effective ¹
AASB 17	<i>Insurance Contracts</i>	1 July 2026
AASB 18	<i>Presentation and Disclosure in Financial Statements</i> ²	1 January 2028
AASB 1061	<i>General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities</i> ³	1 July 2029
AASB 2022-9	<i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	1 July 2026
AASB 2024-2	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i>	1 January 2026
AASB 2024-3	<i>Amendments to Australian Accounting Standards – Annual Improvements Volume 11</i>	1 January 2026
AASB 2025-1	<i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
AASB 2025-2	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures</i>	1 January 2026
AASB 2025-3	<i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures</i>	1 January 2026
AASB 2025-4	<i>Amendments to Australian Accounting Standards – Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
AASB 2026-2	<i>Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements</i>	1 July 2029

¹ For annual reporting periods beginning on or after this date

² AASB 18's effective date is 1 January 2027 for **for-profit** entities and 1 January 2028 for **not-for-profit** entities

³ Not applicable or not relevant to departments and statutory bodies

4.0 Significant Impacts on 2026-27 and Later Reporting Periods

4.1 AASB 17 Insurance Contracts

AASB 17 *Insurance Contracts* should be read in conjunction with amending standard AASB 2022-9. The effective date of AASB 17 for public sector entities is **1 July 2026**. AASB 17 will combine existing insurance standards (AASB 4, AASB 1023 & AASB 1038) into one standard.

On transition, the standard is to be applied retrospectively with restatement of comparative opening balances (i.e. 1 July 2025 balances).

Agencies who already apply AASB 1023 to insurance activities should review the new standard to familiarise with the new requirements. Ahead of AASB 17's commencement, agencies should discuss with the State Actuary's Office regarding any changes to measurement of existing insurance balances, and obtaining any additional information for disclosure.

In 2025-26, agencies with material insurance contracts should consider what disclosures are required in their 2025-26 financial statements to comply with AASB 108 para 30-31.

Agencies who have 'insurance-like arrangements' and do not currently apply AASB 1023 are encouraged to read paragraphs Aus6.1, Aus6.2 and Appendix E in AASB 2022-9 and assess whether their activities would fall under the new AASB 17 or remain under another Standard (e.g. AASB 137). Agencies should immediately consult Queensland Treasury's Accounting Policy team if activities not currently reported as insurance are identified that may fall within the scope of AASB 17. Further consultation with the State Actuary's Office and whole-of-Government reporting team will be required if AASB 17 is confirmed to apply.

4.2 AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 *Presentation and Disclosure in Financial Statements* is effective for **not-for-profit** entities from **1 January 2028** (2028-29 financial year) and for **for-profit** entities from **1 January 2027** (2027-28 financial year).

The AASB's Exposure Draft ED 338 released in October 2025 proposes to give not-for-profit public sector entities the choice to not apply most of the new requirements of AASB 18. Treasury will perform further analysis and make any policy decisions needed once the amending standard is issued.

AASB 18's changes will only affect presentation and disclosure - predominantly through revisions to the layout of the income statement - it will not affect the recognition or measurement of any reported amounts.

5.0 Climate-Related Risks and Financial Reporting

5.1 Current Treasury Position for 2025/26

Agencies should refer to directions from the Under Treasurer in July 2025 and the FMC Website regarding reporting of selected Greenhouse Gas Emissions to Queensland Treasury solely for the purposes of WOG reporting.

No disclosure in 2025/26 financial statements is required in relation to agency GHG emissions.

For the 2025/26 reporting period, agencies **must not**:

- publish any sustainability or climate reports without first consulting Queensland Treasury;
- early adopt sustainability standards issued by the Australian Accounting Standards Board or other international sustainability/climate frameworks by other global organisations. (see section 5.2)

For-profit statutory bodies with a commercial imperative to report climate or sustainability related information (extending beyond current year accounting estimate and judgement impacts in their financial statements) ahead of future sustainability disclosure standards having mandatory application to the public sector should contact Queensland Treasury in the first instance to discuss their circumstances before publishing such information.

Agencies consolidated into whole-of-Government reporting should refer financial statement users to the whole-of-Government Queensland Sustainability Report and Queensland climate change website (see section 5.3).

Agencies may still need to make climate-related risk disclosures in their financial statements if accounting estimates and judgments are impacted by climate related risks (see section 5.4).

5.2 Status of Sustainability Reporting in Australia

A phased introduction of Australian Sustainability Reporting Standards (ASRS) to entities incorporated under the Commonwealth *Corporations Act 2001* will commence for financial years commencing on or after 1 January 2025 (i.e. 30 June 2026 financial years).

Departments and statutory bodies are not incorporated under the Commonwealth Corporations Act and the Commonwealth's proposed implementation timetable/framework for sustainability reporting do not apply to you, unless directed by Queensland Treasury.

Furthermore, the Commonwealth's proposed public sector sustainability reporting requirements only apply to Commonwealth public sector agencies, not to Queensland Government agencies.

No sustainability reporting is required by departments and statutory bodies for the 2025/26 financial reporting period and agencies are NOT to voluntarily adopt AASB sustainability standards.

Agencies should instead refer financial statement users to the whole-of-Government *Queensland Sustainability Report* (<https://www.treasury.qld.gov.au/research-and-publications/reports/queensland-sustainability-report/>) and *Queensland climate-related policies and publications* via <https://www.treasury.qld.gov.au/policies-and-programs/climate/>

5.3 Queensland Sustainability Report and Climate-related Policies

The *Queensland Sustainability Report (QSR)* outlines the Queensland Government's approach to managing key Environmental, Social and Governance (ESG) risks and opportunities, including governance structures, major commitments and policies, and how these risks and opportunities are measured, monitored and managed across government. The QSR is supported by comprehensive datasets and data dictionaries. The QSR is available at <https://www.treasury.qld.gov.au/programs-and-policies/queensland-sustainability-report/>.

Department and statutory bodies consolidated into the whole-of-Government financial statements should reference the QSR in their financial statement notes as illustrated in Note G6 in the *Sunshine Department Illustrative Financial Statements* (FRR 6A).

Agencies should also be aware that, in a public sector environment, climate-related policies of Government will change over time arising from changes in government policy, new and emerging scientific data, regulatory trends/requirements and technological developments.

Agencies can currently access the latest available information via <https://www.treasury.qld.gov.au/policies-and-programs/climate/> and <https://www.treasury.qld.gov.au/policies-and-programs/energy/> along with other information broadcasts from time to time issued by Queensland Treasury relevant to agency financial reporting.

5.4 Agency Response to Climate-related Risks in Financial Statements

As a precursor to the development of Australian specific sustainability reporting standards, the Australian Accounting Standards Board and Australian Auditing Standards Board issued (in April 2019) a joint discussion paper highlighting that entities may need to consider climate-related risks in the context of their financial statements, particularly relating to the estimates, judgements and assumptions made that affect, or could affect, the amounts and disclosures reported. (https://www.aasb.gov.au/admin/file/content102/c3/AASB_AUASB_Joint_Bulletin_Finished.pdf)

This reflects the requirements of AASB 101 (specifically paragraphs 122 and 125). Consequently, although ASRS standards do not yet have mandatory applicability to Queensland public sector agencies, some agencies may need to make climate-related risk disclosures in their financial statements if current accounting estimates and judgments are materially impacted by climate related risks.

Material Climate Risks Already Identified Publicly in External Publications

Material climate-related risks directly applicable to an individual agency may be already communicated publicly by Government. Where this is the case, agencies should explain how those material climate risks affect estimates and judgements in their financial statements.

Potential areas to consider include:

- Initiatives arising from any Queensland Government policy that may impact financial reporting by agencies if they affect accounting estimates and judgements made in preparing their financial statements.
- Material climate-related risks already identified publicly on the agency's website or in their annual report.
- Other official Cabinet or Ministerial statements on climate-related risks directly impacting an agency.

To evaluate whether any financial statement disclosure may be required, agencies should assess to what extent these initiatives impact their operations and activities in a quantifiable way. In formulating individual agency responses to climate related risks, disclosures relating to climate-related risks in financial statements **should focus on** the following 2 points:

- how the risks **directly relate** to amounts reported in **your agency's** financial statements; and
- how climate-related risks were addressed in the key assumptions applied when **developing accounting estimates and judgement calculations**.

Conversely, disclosures of climate-related risks in financial statements **SHOULD NOT** include or focus upon:

- generic, non-agency discussion on climate related risks or the agency's general overall approach to managing climate-related risks – these belong outside the financial statements either in the annual report or other publications.
- disclosures that are contradictory to Government policy/frameworks, particularly in relation to the whole-of-Government publications mentioned in section 5.3.
- disclosures that cannot be verified by external audit.
- disclosures that are merely speculative or irrelevant (and therefore meaningless) for financial statement users.
- disclosures containing judgements and estimates that have not been endorsed by the appropriate level of KMP.

Recommended 5 Step Approach

Agencies need to approach climate related risk disclosures carefully, and in a structured, methodical manner, seeking approval/endorsement from their KMP for the proposed disclosures. Queensland Treasury suggest the following 5 steps when approaching this topic:

- *Step 1* – Familiarise yourself with the Queensland Government climate publications (outlined in section 5.3) along with any specific Government directives applicable to your agency relating to climate risk.
- *Step 2* – Consider those strategies and directives in relation to your own agency. Ask the question “*Would users reasonably expect that emerging climate-related risks could affect the amounts and disclosures in our agency's financial statements?*”
- *Step 3* – Complete your agency's climate related risk assessment in relation to your financial statements (you should not be identifying climate related risks applicable to other Government agencies).
- *Step 4* – Identify accounting judgements and key estimates that would be affected – the more obvious areas to focus upon: potential changes in asset useful lives, potential changes in the fair value of assets, potential provisions or contingent liabilities, potential changes in expenses. Agencies operating in specific industries/sectors might have other unique impacts - these areas listed here are by no means exhaustive.
- *Step 5* – Seek approval from your key management personnel, audit committee and external auditor for any proposed financial statement disclosures.

Illustrative Disclosure in FRR 6A “Sunshine Statements”

The illustrative disclosures in Note G6 of FRR 6A are intended to assist agencies in approaching material climate related risks that directly impact current accounting estimates and judgements.

Some statutory bodies under the *Financial Accountability Act 2009* are NOT CONTROLLED for accounting purposes by the State AND NOT CONSOLIDATED into whole-of-Government reporting. These statutory bodies will need to tailor the paragraph on whole-of-Government climate-related reporting in Note G6 to reflect their particular circumstances and disclose climate-related risks and policy responses specific to their agency as applicable.

