

Senate Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Health Services Australia

Budget Estimates 2007-08 - May 2007

**Question:** HS43

**Outcome #, Output #**

**Topic:** HSA – Annual Report

**Hansard Page/Written Question on Notice:** Hansard Page F&PA 127

**SENATOR WONG asked on 24/05/2007:**

**Senator WONG**—I have some questions about the two most recent annual reports. The first question is in relation to the way in which directors fees are disclosed. There was an alteration as between the 2004-05 and the 2005-06 reports. The former displays income brackets and the latter lumps some remuneration together. Could you explain to me the rationale for that?

**Mr Kmet**—I understand there was a change in the disclosure requirements, which meant that there was a change in the way they were reflected in the annual reports.

**Senator WONG**—Which disclosure requirements?

**Mr Kmet**—Could I take that on notice?

**Senator WONG**—If it is in relation to the Corporations Law—and I do not know to what extent this affected the disclosures—I note that what you did in 2004-05 was to do it by tiers. So the public got an indication of how many directors were receiving fees and in which amount bracket whereas in the 2006 report we see it all lumped together with no indication of how many directors or how many specified executives are included.

**Mr Kmet**—I would have to take that on notice. At the end of the day the accounts as they stand in 2006 are the ones that I am most aware of. Going back to those years would be something I would have to take on notice and look at.

**Answer:**

Under the requirement for adoption of the Australian Equivalent to the International Financial Reporting Standards, which came into effect January 2005 for the reporting period ending June 2006, there was a change in the way Directors' and Executive remuneration is disclosed in the notes to the financial statements. The new Accounting Standard on Related Party Disclosures (AASB 124), required a change from the previous disclosure of Directors' remuneration by \$10,000 bands to disclosures of the total compensation paid and payable.

This change also required us to restate the 2004-05 data in these terms and include for comparison purposes.