Government of **Western Australia**
Department of **Treasury and Finance**

Model Annual Report

Introduction to the Models

Illustrative Model Annual Report – Introduction to the Models

© Government of Western Australia 2026

Contact

Department of Treasury and Finance Western Australia
Street Address: 28 Barrack Street, Perth WA
Postal Address: Locked Bag 11, Cloisters Square WA 6850
Email: Financial.Policy@dtf.wa.gov.au

Introduction

Public sector agencies fund, deliver and regulate a wide range of services on behalf of the Government. These services are funded through grants from the Commonwealth Government, royalties, taxes, levies and fees from the sale of goods and services. Annual reports are prepared by public sector agencies to inform Parliament, citizens and other interested parties about their financial plans, outcomes and position. They are useful tools for agencies to demonstrate good governance, transparency and accountability.

Purpose and scope

In accordance with section 64(1) of the *Financial Management Act 2006* (FMA), the Minister is required to table in Parliament the agency's annual report within the prescribed period after the end of a financial year. To enhance the consistency and quality of these annual reports, the Department of Treasury and Finance produces model annual reports (the Models) to guide agencies.

The Models have been prepared in accordance with:

- the FMA;
- the *Financial Management Regulations 2024* (FMR);
- Treasurer's instructions (TIs);
- the AASB's Framework for Preparation and Presentation of Financial Statements (Framework) and the Statements of Accounting Concepts SAC 1;
- Australian Accounting Standards (AAS); and
- Australian Accounting Interpretations, this includes interpretations of both the Australian Accounting Standards Board (AASB) and the former Urgent Issues Group (UIG).

The focus of the Models is to assist agencies with the preparation of financial statements. For guidance on preparation of other sections of the annual reports, agencies should refer to TI 8 *Financial Accounting and Reporting* – Requirement 3 *Agency Annual Reports* and to the Public Sector Commission's Annual Reporting Framework for other reporting requirements. While the Models aim to meet most of the needs of agencies in complying with general reporting requirements of the FMA, TIs, FMRs and AASBs, agencies should be aware that the Models are for general use and are not intended to cover every potential circumstance. Other methods of presenting financial statements may also be suitable.

The Models are based on fictitious agencies to highlight and illustrate disclosure requirements. They include:

- guidance and commentaries highlighting the disclosure requirements;
- references and interpretations of relevant authoritative pronouncements; and
- illustrative disclosures related to common agency activities.

How to use the models

In accordance with the Treasurer's Guidance (TG) 8 Financial Accounting and Reporting – Chapter 1.3 Agency Annual Reports and the Public Sector Commission's Annual Reporting Framework, annual reports are divided into the following four sections:

- Overview
- Agency performance
- Significant issues impacting the agency; and
- Disclosures and legal compliance.

The Models should be used as a guide and not be as a substitute for referring to the legislation and standards themselves. Agencies should identify the applicable legislative and accounting reporting requirements and observe their related illustrative examples in the Models.

The references and commentaries that are included throughout the Models would not normally be included in published reports. References to the relevant requirements are provided in the left column of the Models. Where doubt exists in respect of a treatment or disclosure, refer to the source reference of the requirement.

Commentaries in the Models provide guidance, legislative and documented references and highlight the minimum disclosure requirements. Agencies should ensure they are familiar with the details of the original sources. These commentaries are provided in a commentary box following each related part.

Additional commentaries are also located within the main body or table as italicised text enclosed in brackets.

Example

> The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and [*insert any other relevant written law*].

Electronic copies of the Models are available on the Department of Treasury and Finance's website in word or pdf versions.

Legislative background

Financial Management Act 2006

Section 61(1) of the FMA requires the accountable authorities of an agency to prepare an annual report that contains:

- financial statements for the financial year;
- key performance indicators;
- a report on the operations of the agency during the financial year;
- any information prescribed by the Treasurer's instructions;
- if applicable, the reports referred to in subsections (2) and (3); and
- any other information required by a written direction given by the Minister.

The TI 8 – Requirement 3 *Agency Annual Reports* mandates the inclusion of a 'Disclosure and Legal Compliance' section in annual reports. TG 8 – Chapter 1.3 Agency Annual Report provides a standard layout for agencies to adopt when preparing their annual reports. This standardised layout will enable readers of annual reports to more easily find information.

In accordance with section 61(2) of the FMA, where an agency is covered by a resource agreement, the accountable authority is to include in the annual report for the financial year covered by a resource agreement a report on the extent to which the agency achieved its objectives described in the resource agreement. This is reinforced in the TI 3 *Financial Sustainability* – Requirement 2.2 *Resource Agreements.*

Section 61(5) of the FMA requires an agency that has a subsidiary body to exercise its control over that subsidiary body to ensure the accountable authority is provided with all information relating to the subsidiary body, so the accountable authority complies with sections 61 and 62 of the FMA and the Treasurer's instructions.

Section 62(1) of the FMA requires the financial statements to be prepared in accordance with the accounting standards and other requirements issued by the Australian Accounting Standards Board.

Section 64(1) of the FMA requires the Minister to table the agency's annual report within the prescribed period after the end of a financial year of an agency.

Australian Accounting Standards

The FMA (and TIs) are legislative provisions that **take precedence** over accounting standards and other pronouncements. For example, a legislated reporting requirement may override a materiality judgement under AASB 1031 Materiality.

Chief Finance Officers should also have regard to the Framework and SACs for guidance if there is no applicable Australian Accounting Standard. However, any interpretation of these pronouncements must not be inconsistent with the FMA and TIs.

Exclusions

The Australian Accounting Standards shown below have not been applied due to their limited application to the public sector. Agencies should assess their own individual circumstances as to whether any of these Australian Standards listed below apply.

AASB 2	Share-based Payment
AASB 3	Business Combinations
AASB 4	Insurance Contracts
AASB 5	Non-current Assets Held for Sale and Discontinued Operations to the extent that discontinued operations have not been applied. However, application and guidance is provided in respect of non-current assets held for sale.
AASB 6	Exploration for and Evaluation of Mineral Resources
AASB 14	Regulatory Deferral Accounts
AASB 120	Accounting for Government Grants and Disclosure of Government Assistance
AASB 129	Financial Reporting in Hyperinflationary Economies
AASB 133	Earnings per Share
AASB 134	Interim Financial Reporting
AASB 141	Agriculture
AASB 1023	General Insurance Contracts
AASB 1039	Concise Financial Reports
Int 2	Members' Shares in Co-operative Entities and Similar Instruments
Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
Int 7	Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies
Int 10	Interim Financial Reporting and Impairment
Int 12	Service Concession Arrangements
Int 13	Customer Loyalty Programmes
Int 14	AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Int 16	Hedges of a Net Investment in a Foreign Operation
Int 20	Stripping Costs in the Production Phase of a Surface Mine
Int 21	Levies
Int 129	Service Concession Arrangements: Disclosures

Abbreviations

Abbreviations to the relevant requirements are provided in the left column of each page of the models. Where doubt exists as to the appropriate treatment, examination of the source of the disclosure requirement is recommended.

Abbreviations used in the models are as follows:

AASB	Accounting standards issued by the Australian Accounting Standards Board
FMA	*Financial Management Act 2006*
FMR	*Financial Management Regulations 2024*
Framework	Conceptual Framework
Int	Interpretations issued by the Australian Accounting Standards Board
TI	Treasurer's instruction issued by the Department of Treasury and Finance