

## Document 2

**From:**  
**Sent:** Thursday, 13 September 2012 9:20 AM  
**To:**  
**Subject:** RE: RBA Dividend Issue

FMO 41.1: Where legislation provides that a Minister(s) may determine the amount to be paid as a dividend or similar distribution, the entity must recognise a liability for any dividend or distribution determined by the Minister(s) at the date of the Ministerial determination.

However, we are not discussing the RBA's treatment of the liability, we are discussing when Treasury can record the revenue. They seem to be fixated on the matching principle and ignoring the point from the standard about when a dividend can be recognised. We would be breaching AASB118 if we booked the revenue in 11-12 as the Treasury does not have a right to the dividend until the Treasurer make the determination. The determination is also the point at which the dividend becomes reliably measurable and probable.

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**From:** [\[mailto: \[redacted\]@anao.gov.au\]](mailto: [redacted]@anao.gov.au)  
**Sent:** Thursday, 13 September 2012 8:53 AM  
**To:**  
**Cc:**  
**Subject:** RE: RBA Dividend Issue

Hi

The one section that has not been considered in your paper is FMO 41.3 that states "where an entity is required to pay its profit for the year to the Australian Government after the deduction of certain amounts, a liability for the dividend must be recognised if those amounts are known before the date of completion of the financial statements."

It would follow, that where a liability is recognised by the paying entity, the receiving entity should record a receivable – assuming these circumstances are known before the completion of the financial statements.

Can you please consider and include in your paper, and advise whether this would change your position?

Kind regards

Senior Director  
Assurance Audit Services  
**Australian National Audit Office**

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**From:** [\[mailto: \[redacted\]@TREASURY.GOV.AU\]](mailto: [redacted]@TREASURY.GOV.AU)  
**Sent:** Wednesday, 12 September 2012 6:08 PM  
**To:**  
**Cc:**  
**Subject:** RBA Dividend Issue

As discussed.

Draft position paper on the RBA dividend.

I am proposing that the Treasury does not record a receivable and that we include a statement in the Events occurring after the reporting note similar to the 2008-09 and 2005-06 statements.

## Section 22