3B. What remuneration disclosures are required for AASB 124?

To date, Victorian departments and public sector entities have applied FRD 21B *Disclosures of responsible persons, executive officers and other personnel in the financial report* to report information on remuneration and related party transactions in relation to an entity's responsible persons, executive officers and contractors that occupy key management roles.

The revised AASB 124 was updated to include additional implementation guidance for the not-for-profit sector (which extended the scope of KMPs in the public sector) and its application to ministers which was not covered in the previous version of the standard.

The scope and specific requirements in FRD 21B are different from AASB 124, with the key differences being:

* the scope of executives being wider in FRD 21B than AASB 124 (which includes all executives rather than just KMP);
* remuneration reported under FRD 21B being exclusive of non-monetary benefits; and
* remuneration of all executives and responsible persons being disclosed on an individual basis in income bands of $10 000.

Under AASB 124, the scope of remuneration is extended to include all employee benefits (as defined in AASB 119 *Employee Benefits*) which includes all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. It also includes amounts paid on behalf of a parent of the entity in respect of the entity.

In addition, the remuneration disclosure includes non-monetary benefits such as private health insurance, car, travel or accommodation allowances and free or subsidised goods or services, which may require additional data collection.

AASB 124 only requires **remuneration of KMP** to be disclosed in total, but disaggregated into each of the following categories:

* short-term employee benefits;
* post-employee benefits;
* other long-term benefits;
* termination benefits; and
* share-based payments (not applicable to the public sector).

FRD 21 will be maintained to continue to cover reporting of all executives as not all executives will meet the definition of KMP in AASB 124, and align the definition of remuneration and the disclosure requirements to AASB 124 for consistency.