



Australian Government

Australian Accounting Standards Board

# Remuneration reporting project plan

**Project Manager:** Mukesh Garg

**Senior Project Manager:** Meina Rose

**Director:** Kala Kandiah

**Date:** 06/11/2019



## ENDORSEMENT/VERSION CONTROL

CURRENT VERSION NUMBER V1 DATE 06/11/2019

### AUTHOR

Mukesh Garg Research and Education 0396177639  
Principal

### CONTACTS

Mukesh Garg Research and Education 0396177639  
Principal  
Meina Rose Senior Manager 03 9617 7622

### APPROVAL

[approver's name] [approver's position] [approved/not approved] [date]  
[approver's name] [approver's position] [approved/not approved] [date]  
[approver's name] [approver's position] [approved/not approved] [date]

### VERSION CONTROL

Version	Revision date	Name of author/modifier	Distributed to
06/11/2019		Mukesh Garg/ Meina Rose	Board

INSERT PROJECT NAME



## TABLE OF CONTENTS

1	PROJECT OVERVIEW .....	4
2	OBJECTIVES AND PROJECT OUTCOMES .....	4
2.1	What are the objectives of this project? .....	4
2.2	What is the issue? .....	5
2.3	What evidence is available to define the issue? .....	5
2.4	What additional evidence is needed, and why? .....	6
2.5	Who are the impacted stakeholders? .....	7
2.6	What are the expected changes and benefits? .....	7
2.7	Urgency/importance of the project .....	7
2.8	What are the project deliverables? .....	8
2.9	Link to the AASB's strategic objectives .....	8
2.10	Past relevant AASB project, history of the project and cross-cutting projects .....	9
3	PROJECT REPORTING REQUIREMENTS .....	10
3.1	What are the project reporting requirements? .....	10
4	ASSUMPTIONS, RISKS AND OTHER CONSIDERATIONS .....	10
4.1.1	Assumptions and constraints .....	10
4.1.2	What are the key project delivery risks? .....	10
4.1.3	Specific sector considerations (FP/NFP/Public or industry-specific) .....	11
4.1.4	Relevant Standards, Legislation and Regulations .....	12
4.1.5	Interaction with IASB .....	12
4.1.6	Interaction with Australian Auditing Standards .....	12
4.1.7	Consideration of New Zealand Accounting Standards .....	12
4.1.8	Consideration of GFS (public sector entity projects) .....	12
4.1.9	Consideration of IPSASB (public sector entity projects) .....	13
5	PROJECT TIMELINE AND RESOURCES .....	13
5.1	When are the deliverables due? .....	13
5.1.1	Major milestones .....	13
5.1.2	Timing issues .....	14
6	STAKEHOLDER ENGAGEMENT AND COMMUNICATION .....	15
6.1	Stakeholder engagement .....	15
6.2	Communication .....	15
7	RESOURCE MANAGEMENT .....	16
7.1	Project resourcing .....	16
7.2	Budget .....	17
8	EVALUATION .....	17

## 1 PROJECT OVERVIEW

Executive remuneration is a controversial topic that has attracted intense public scrutiny. A joint report by PwC and the Group of 100 [Remuneration Reporting - Streamlined](#) found the current complexity of the regulatory requirements to be the key driver of ineffective reporting. The report suggests that corporate boards and report preparers struggle to clearly explain the links between pay and performance while meeting detailed and often repetitive disclosure requirements.

Remuneration reporting of individual key management personnel (KMP) was also identified as a topic of interest by constituents through the last agenda consultation process<sup>1</sup>, and staff submitted a project plan to the Board in May 2017.<sup>2</sup> At that meeting, the Board agreed to conduct research and undertake a benchmarking exercise on senior executive remuneration reporting for both the public and private sectors, consistent with the AASB's strategy to explore external reporting topics that are also relevant to external users of financial statements.

As a first step, a literature review was conducted by Wee and Van Zyl on behalf of the AASB, which was published as [AASB Research Report 8: Literature Review Remuneration Reporting](#) in February 2019. Based on the results of that review, staff now recommend proceeding to the next phase of this project and have updated the original project plan to outline the relevant steps and estimated time/resources involved.

## 2 OBJECTIVES AND PROJECT OUTCOMES

### 2.1 What are the objectives of this project?

The objective of the project is to

- (i) Consider in phase 1 whether the AASB can and should define the disclosure objective for executive remuneration (individual executive remuneration as well as entity strategies regarding such remuneration) in the context of the information needs of users of remuneration reports. This phase will involve the development of a report on international requirements in other jurisdictions across the three sectors which will help develop principles-based disclosure requirements for remuneration reporting of individual key management personnel (KMP) for for-profit (FP), not-for-profit (NFP) and public sectors;
- (ii) If agreed to proceed to phase 2, collaborate with other regulatory bodies to develop appropriate requirements for each of the sectors which will improve and streamline the executive remuneration reporting requirements applicable to both public and private FP and NPF entities.

The objectives of the project relate particularly to Strategy 5 of the AASB - Influence initiatives to develop disclosure objectives and principles-based disclosure requirements that meet user needs for external reporting integral to financial reporting.

<sup>1</sup> The Australian Accounting Standards Board (AASB) has updated its Work Program. In updating its Work Program, the AASB incorporated feedback from Australian constituents to [Invitation to Comment ITC 34 AASB Agenda Consultation 2017–2019](#) which includes benchmarking for senior executive remuneration.

<sup>2</sup> [AASB Work Plan 2017-2019](#)

## 2.2 What is the issue?

- (i) Current rules for remuneration reporting of FP entities are set by various regulators, including the AASB, and are complex and include redundant, overlapping requirements, resulting in lengthy reports that lack consistency across entities; the rules also lack clear objectives and principles.
- (ii) No consistent reporting due to a mix of mandatory and voluntary disclosures for the NFP and public sector entities. The requirements for public sector entities vary between jurisdictions, making comparisons between entities difficult. The Australian Charities and Not-for-profits Commission (ACNC) does not have specific remuneration reporting rules for the sector.
- (iii) The needs of users in the NFP private sector are different from FP sector, as the agency and fiduciary relationships in the NFP sector are different from the FP sector. This suggests the need for distinct executive remuneration disclosure requirements for the NFP sector.
- (iv) Users of annual reports of FP entities want information about the composition of remuneration and how those components are linked to performance. This information is not always easily available from the remuneration reports. Users have also noted that they find it difficult to assess whether remuneration packages have been appropriately structured.
- (v) There have also been questions raised whether investors may find it more useful if the amounts of remuneration disclosed reflect actual outcomes (ie vested remuneration) rather than accrual-based measures of the cost to the company.

## 2.3 What evidence is available to define the issue?

Numerous research studies by academics and investment groups have identified the issues that currently exist in remuneration reporting. The literature review of 52 studies on remuneration reporting (AASB Research Report 8) conducted by Wee and Van Zyl summarises the drivers of the issues highlighted above. The key findings of the literature review are as follows:

- (i) Additional disclosure requirements have generally led to higher quality disclosures, but only when they are mandatory, specific and sufficiently detailed.
- (ii) Users need information on the composition of remuneration and how those components are linked to entity performance.
- (iii) Research on the NFP sector shows that the needs of users and the association between pay and performance in relation to NFP entities is different from FP entities.

As a result of their review, the researchers note the following suggestions that may be of use to the AASB in advancing this project:

- (i) Additional disclosure requirements relating to the philosophy, process and considerations that have led to an entity's current remuneration structure and how that structure is linked to the entity's strategy would be useful.
- (ii) Streamline disclosure rules and collecting them in one location (for example, a single accounting standard).

Concerns about the complexity of remuneration reports of FP private sector entities were first raised in a report from the Productivity Commission (PC) in 2009 which was commissioned as part of the Government's broader response to community concerns about inappropriate remuneration practices. As a result of the PC report the then Minister for Financial Services, Superannuation and Corporate Law, the Hon. Chris Bowen MP (the Minister), requested the

Corporations and Markets Advisory Committee (CAMAC) to examine the existing reporting requirements and make recommendations on how to best revise the legislative architecture to reduce the complexity of remuneration reports.<sup>3</sup> While CAMAC acknowledged that some well-developed simplification proposals had been put forward as part of their review, the committee did not believe it was the right time for wholesale changes to the requirements, due to the imminent introduction of the two-strikes rule. However, CAMAC also noted that it might be appropriate to revisit this once the two strikes rule has been in operation for some time.

In the public sector, Commonwealth entities are required to disclose executive remuneration information in their annual reports in accordance with the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).<sup>4</sup> In their report on the development of the Commonwealth Performance Framework, the Joint Committee of Public Accounts and Audit (2016) noted a reduction in the reporting of remuneration of entity Directors and Senior Executives, constituting it as a reduction in transparency.<sup>5</sup> Consequently, in February 2017, the Finance Minister wrote to all government business enterprises and the Future Fund Management Agency, asking them to report on executive remuneration in the same way as listed companies. Only 52% of agencies published within the requested deadline, leading the secretaries of the Department of the Prime Minister and Cabinet and the Department of Finance (Finance) to make further joint requests in September 2017 and August 2018 (see page 16 of AASB Research Report 8). The PGPA Rule was amended in 2019 effective for the 2018-19 reporting year.

In July 2019, the Australian Prudential Regulation Authority (APRA) released a [Discussion Paper Strengthening prudential requirements for remuneration](#). APRA is proposing to strengthen prudential requirements for remuneration across all APRA-regulated entities in the banking, insurance and superannuation industries by issuing a new prudential standard on remuneration (CPS 511). APRA's proposals aim to ensure that an entity's remuneration arrangements produce appropriate incentives and outcomes.<sup>6</sup> A three-month consultation period closed on 23 October. APRA intends to release the final prudential standard before the end of 2019, with a view to it taking effect in July 2021 following appropriate transitional arrangements. Staff understand that the practice guide which sets out disclosures to be made in addition to those required under the *Corporations Act 2001* is also due to be reviewed for a possible update in the near future.

## 2.4 What additional evidence is needed, and why?

- (i) Undertake an international benchmarking project to understand what practices currently exist as mandated by regulators in key economies of Canada, Germany, New Zealand, South Africa, UK and USA. These six countries are selected for benchmarking study as they are expected to have regulation or requirements for either one or all of the three sectors.<sup>7</sup> These countries are

**Commented [MG1]:** Question for the Board  
Q1. Does the Board agree with the international comparison across these six countries?  
Q 2. Do Board members have other suggestions, or comments on the countries selected?

<sup>3</sup> [CAMAC Executive Remuneration Report April 2011](#)

<sup>4</sup> [Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports Resource Management Guide No.138](#)

<sup>5</sup> [Report 457: Development of the Commonwealth Performance Framework - Second Report](#)

<sup>6</sup> [APRA Media Release 22 July 2019](#) APRA proposes stronger requirements on remuneration to enhance conduct, risk management and accountability and [draft Prudential Standard CPS 511 Remuneration](#)

<sup>7</sup> During an initial review by AASB staff it was found that there are regulations on remuneration reporting of KMP across the six countries that would be useful for AASB. Following are the three examples:

relatively comparable in terms of regulatory rigour and are jurisdictions that are often compared with Australia in terms of financial reporting issues. This will contribute to our understanding of the gap between the requirements in Australia compared to other countries and help us in identifying clear disclosure objectives so that principle-based requirements can be developed to improve the quality and consistency of disclosure for FP private, NFP private and public sector.

- (ii) Conduct outreach activities to Identify key users and their information needs, to assist in determining executive remuneration disclosure requirements in the NFP and FP sectors.

## 2.5 Who are the impacted stakeholders?

If disclosure objectives and principles-based disclosure requirements are developed for remuneration reporting of individual KMP, then the following stakeholders could be impacted;

- (i) Preparers and users of financial statements (all three sectors)
- (ii) Treasury/HoTARAC
- (iii) Regulators – ASIC, ASX, ACNC
- (iii) Industry Bodies including AICD, CPA, CAANZ and IPA
- (iv) Advisory firms
- (v) AuASB and Auditors.

## 2.6 What are the expected changes and benefits?

Issue (in brief)	Expected change	Expected benefits
Current rules for remuneration reporting of individual KMP for FP entities are complex and include redundant, overlapping requirements, resulting in lengthy reports that lack consistency across entities. For NFPs, the agency and fiduciary relationships in the NFP sector are different from the FP sector, and ACNC does not have specific remuneration reporting rules for the sector. In the public sector there are a variety of requirements that are not consistent.	Development of principles-based disclosure requirements for remuneration reporting of KMP for FP, NFP and public sectors.	Improve and streamline the remuneration reporting requirements of individual KMP applicable to both public and private FP and NFP entities. This will make it easier for users to assess the appropriateness of remuneration packages and ultimately also help designing more effective remuneration packages by entities.

## 2.7 Urgency/importance of the project

- (i) The project is important based on stakeholder feedback from the last agenda consultation.
- (ii) The level of urgency is medium.

[UK: Companies \(Directors' Remuneration Policy and Directors' Remuneration Report\) Regulations 2019](#)

[South Africa: King IV Report on Corporate Governance for South Africa 2016 \(King IV\)](#)

[USA: Securities and Exchange Commission Guidance on Pay Ratio Disclosure](#)

INSERT PROJECT NAME

## 2.8 What are the project deliverables?

- (i) Report on international requirements in other jurisdictions on remuneration reporting, which will provide the basis for identifying the disclosure objectives.
- (ii) Develop disclosure objectives and principles-based disclosure requirements for KPM for the three sectors in conjunction with other relevant regulatory bodies.

The benchmarking report on international requirements on remuneration reporting will be based on the three sectors and would include:

- (i) source of authority ie: legislation, licensing obligations, self-regulation such as industry codes, listing requirements
- (ii) whether the remuneration reporting is subject to oversight, by whom and is it enforced
- (iii) who established/updates requirements/guidance
- (iv) whether any thresholds apply: i.e. reporting requirements linked to the size of the entities
- (v) the specificity of the reporting requirements (framework, principle-based, rules-based, capable of audit)
- (vi) comparison of key reporting elements (eg strategy, linkage with performance, individual's remuneration disclosures, extent and nature of requirements for individuals etc)
- (vii) whether remuneration reporting forms part of the financial statements
- (viii) whether remuneration reporting requirements are subject to audit and/or assurance
- (ix) whether there are any identified users in each of the jurisdictions and if so, for what purpose is the information used, and
- (x) whether there have been any reviews of remuneration reporting and has remuneration reporting been considered effective.

**Commented [MG2]:** Question for the Board Q3. Does the Board agree with the content of the report?

## 2.9 Link to the AASB's strategic objectives

#	Strategic Objective	Link to this project
1	Develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users (including financial reports) and are capable of being assured and enforced. For 'publicly accountable' entities maintain IFRS compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance.	<ul style="list-style-type: none"> <li>• Develop principles-based requirements for remuneration reporting that satisfy underlying objectives and address sector-specific information needs that are capable of being assured and enforced.</li> <li>• IFRS compliance is not relevant as there is no equivalent guidance under IASB.</li> </ul>
2	With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with the regulators to develop objective criteria on: <ul style="list-style-type: none"> <li>• who prepares external reports (including financial reports)</li> <li>• the nature and extent of assurance required on these external reports.</li> </ul>	





3	Actively influence IASB, IPSASB standards and other international accounting and external reporting standards and guidance by demonstrating thought leadership and enhancing key international relationships.	<ul style="list-style-type: none"><li>• Demonstrate AASB's thought leadership in the field. Results of benchmarking study to be shared with IASB and IPSASB</li><li>• Encourage both Boards to consider adding this to their agenda as a longer-term project</li></ul>
4	Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach.	<ul style="list-style-type: none"><li>• Project is undertaken in response to stakeholder feedback</li><li>• Encourage active stakeholder participation throughout the project</li></ul>
5	Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.	<ul style="list-style-type: none"><li>• While detailed remuneration information is sometimes provided outside of the financial statements, it is an integral part of the information needed by users to assess managements stewardship of the entity's economic resources.</li></ul>
6	Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards, including changing technologies.	<ul style="list-style-type: none"><li>• Project was undertaken in response to stakeholder feedback on the need for guidance for Australian entities</li></ul>
7	Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance.	<ul style="list-style-type: none"><li>• Develop educational material to enhance consistent application</li></ul>
8	Build a high performing team that operates efficiently, effectively and within budget, complying with all relevant legislation and Commonwealth Government requirements	

## 2.10 Past relevant AASB project, history of the project and cross-cutting projects

The project was initiated in response to the feedback on ITC 34 *AASB Agenda Consultation 2017-2019*. As the first step in this project, the AASB engaged academics to conduct a review of academic literature relating to executive remuneration reporting. The outcome of this research is documented in Research Report 8, and the key results of this research are reflected in this project plan (Section 2.3). There are currently no cross-cutting projects undertaken by the IASB, IPSASB or any national standard setters.

Detailed executive remuneration reporting requirements were previously included in AASB 124 *Related Party Disclosures* but were removed in 2011 on the basis that they were neither included in the international equivalent standard IAS 24 nor included in the New Zealand accounting standards. At that time, the AASB considered these disclosures to be more like governance disclosures that are better dealt with as part of the *Corporations Act 2001*. The AASB also noted that the Corporations Act and associated regulations already had similar disclosure requirements and that it would improve the clarity of the requirements if they were dealt with in only one place. Removing the disclosures from AASB 124 also resolved a difference in the scope of the entities that had to comply with the requirements between the Corporations Act and AASB 124.

## 3 PROJECT REPORTING REQUIREMENTS

### 3.1 WHAT ARE THE PROJECT REPORTING REQUIREMENTS?

The project manager will communicate with the SME regularly to seek feedback on the progress of the report related to international benchmarking.

Report name	Report Preparer(s)	Report Recipient(s)	Reporting Frequency
Project status report	Project Manager	Technical Director and/or Senior Project Manager	monthly
Communication status report	Communication Manager	Technical Director and/or Senior Project Manager	monthly

## 4 ASSUMPTIONS, RISKS AND OTHER CONSIDERATIONS

### 4.1.1 Assumptions and constraints

Following are the assumptions and constraints identified for the project:

- (i) The progress of the project will not be hampered due to unforeseen circumstances.
- (ii) The information on international requirements on remuneration reporting from each of the identified jurisdictions will be limited by the information available in the public domain and through our contacts at other standard setters.
- (iii) Development of disclosure objectives and principles-based disclosure requirements will need the buy-in from the relevant regulators and will be subject to feedback from key stakeholders.

### 4.1.2 What are the key project delivery risks?

Report on international requirements on remuneration reporting in other jurisdictions



<b>Risk</b> (brief description of risk, including if it is an internal, or external risk, or both.)	<b>Risk assessment</b> (eg low, moderate, high)	<b>Potential impacts</b> (Indicate how the risk could impact the budget, timeline, scope or deliverables and the consequence and probability (likelihood) of the risk occurring)	<b>Mitigation strategy</b> (Outline action that could be taken to treat the risk, and a contingency approach where appropriate)	<b>Residual risk</b> (If the mitigation strategy was to be applied, what is the residual risk rating?)
Internal – right skills of SME, change in internal agenda or priorities	Low	Budget issues related to the time of the technical staff and SME.	Change in the team or engagement of an external consultant.	Low

Development of disclosure objectives and principles-based disclosure requirements

Not able to get other regulators' buy-in, needed in particular for FP and public sector.	High	Budget issues related to the availability of technical staff and SME. Where involving legislative changes – could be the political issue of getting through Parliament.	Seek consultation and feedback early and in stages	High
Regulators and Treasury may query AASB's involvement, as not directly a financial reporting issue	Medium	Regulators may not accept AASB developed requirements	Explain project objectives and benefits before embarking on phase 2.	Medium

**4.1.3 Specific sector considerations (FP/NFP/Public or industry-specific)**

- (i) The report on international requirements on remuneration reporting in other jurisdictions will separately identify requirements for FP private, NFP private and public sector entities.
- (ii) Disclosure objectives and principles-based disclosure requirements will be developed separately for FP private, NFP private and public sector entities, however to the extent possible maximise consistent common requirements.

#### 4.1.4 Relevant Standards, Legislation and Regulations

- (i) The report on international requirements on remuneration reporting in other jurisdictions will neither impact nor be impacted by regulators or existing regulations.
- (ii) Disclosure requirements for the FP sector entities are currently set out in Corporations Regulations CR2M.3.04 and in section 300A. New principle-based disclosure requirements may replace the requirements in CR2M.3.04 and ideally also section 300A (ie legislative change involving Government).
- (iii) It will also be necessary to consider any overlap with the ASX' *Corporate Governance Principles and Recommendations*.
- (iv) In the public sector, remuneration reporting requirements are included in the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* and the *Public Governance, Performance and Accountability Rule 2014* for Commonwealth entities, and in various state-based regulations.
- (v) If proceeding with this project, we will also need to liaise with the AUASB in relation to any impact on Auditing Guidance statement GS 008 *The Auditor's Report on a Remuneration Report Under Section 300A of the Corporations Act 2001*. The development of principles-based disclosure requirements may be impacted by ASX, ASIC, AUASB, ACNC and Accounting Professional and Ethical Standards.
- (vi) Principles-based guidance may impact ASX, ASIC, AUASB, ACNC and Accounting Professional and Ethical Standards

#### 4.1.5 Interaction with IASB

- (i) IASB currently does not have a project on remuneration reporting.
- (ii) The report on international requirements on remuneration reporting in other jurisdictions and subsequent disclosure objectives and principles-based disclosure requirements will be shared with IASB for their information.

#### 4.1.6 Interaction with Australian Auditing Standards

- (i) The report on international requirements on remuneration reporting in other jurisdictions will not have an impact on Australian Auditing Standards.
- (ii) AASB will engage with AUASB for input on the project when developing disclosure objectives and principles-based disclosure requirements.

#### 4.1.7 Consideration of New Zealand Accounting Standards

- (i) The development of a report on international requirements on remuneration reporting in other jurisdictions will not require consultation with NZASB
- (ii) AASB will engage with NZASB for input on the project when developing disclosure objectives and principles-based disclosure requirements.
- (iii) AASB will engage with NZASB to influence IASB and IPSASB for them to consider including remuneration reporting for individual KMP on their agenda.

#### 4.1.8 Consideration of GFS (public sector entity projects)

- (i) The development of a report on international requirements on remuneration reporting in other jurisdictions will not require consideration of GFS.
- (ii) GFS manual does not deal with remuneration reporting.

#### 4.1.9 Consideration of IPSASB (public sector entity projects)

- (i) IPSASB currently does not have a project on remuneration reporting
- (ii) The report on international requirements on remuneration reporting in other jurisdictions and subsequent disclosure objectives and principles-based disclosure requirements will be shared with IPSASB for their information

## 5 PROJECT TIMELINE AND RESOURCES

### 5.1 WHEN ARE THE DELIVERABLES DUE?

#### 5.1.1 Major milestones

Stage	Description	Requirement(s) and objectives for stage	Timeline	Staff time (hours)
<b>Phase 1: Development of a report on international requirements in other jurisdictions across the three sectors</b>				
1	Literature review on remuneration reporting – conducted by academics			completed
2	Project plan submitted to the Board to seek approval	Seek Board's approval	November 2019 Board meeting	45
3	Inform affected regulators that the AASB undertaking the benchmarking study	Inform other regulators	December 2019	5
4	Development of a report on international requirements in other jurisdictions across the three sectors. Provide recommendation to the Board on the next steps for each sector	To benchmark Australian against international requirements	three months after the Board's approval	300
Phase 1 total hours				350
<b>Phase 2: Develop principle-based disclosure requirements for each of the three sectors</b>				
5	Board to decide on next steps depending on the report on international requirements in other jurisdictions	Seek Board feedback and approval	March 2020 Board meeting	5
6	If the Board agrees to continue, discuss the initial recommendations with regulators (Treasury, ASIC, ACNC, HoTARAC) to seek their support for the project	Seek feedback and support from regulators	April – June 2020	40
7	Identify disclosure objectives for each sector and any key issues requiring the Board's input	After getting support from regulators	June to October 2020 (3-5 months); timing may be different for each of the sectors	400

**Commented [MG3]:** Question for the Board Q4. Does the Board agree staff:  
(a) undertakes the research as outlined in section 2.4 and 2.8 above  
(b) publishes the findings in form of an AASB research report, and  
(d) brings the report to the Board together with recommendations for Phase 2.

**Commented [MG4]:** Q5: Does Board approve the stages outlined for Phase 2 of the project?

INSERT PROJECT NAME



Stage	Description	Requirement(s) and objectives for stage	Timeline	Staff time (hours)
8	Presentation of objectives and key issues to the Board	Seek Board's approval on key issues	November 2020 Board meeting	5
9	Develop draft principle-based disclosure requirements for each of the three sectors	Draft of disclosure requirements	December 2020 to February/May 2021 (3-6 months); timing may be different for each of the sectors	600
10	Exposure drafts of proposed requirements submitted to the Board for approval	Seek Board feedback and approval	March to May 2021 Board meetings	10
11	Seek consultation/input from external stakeholders, including UAC on the exposure drafts	After the Board's approval to get input from stakeholders	3 months after approved ED	300
12	Presentation of stakeholder feedback received on the EDs to the Board	To get the Board's approval on any recommended changes made to address stakeholder feedback	June to September 2021 Board meetings	10
13	Revise the disclosure requirements as necessary		October to November 2021	100
14	Presentation of final disclosure requirements to the Board	To get the Board's approval to release the documents	November 2021 Board meeting	10
15	Publish and release disclosure requirements	After considering feedback and the Board's approval	December 2021	60
16	Develop education material to support stakeholders. Detailed education plan will be developed which will depend on the needs	After the Board's approval	December 2021 to January 2022	60
Phase 2 total hours				1,600
Total hours (estimate only)				1,950

### 5.1.2 Timing issues

- (i) Report on international requirements
  - Availability of technical staff and subject matter expert
  - Other AASB project priorities may delay the project
- (ii) Development of disclosure objective and principles-based disclosure requirements
  - Subject to the outcome of the discussion with Board
  - Subject to feedback from other regulators
  - Subject to RBM and RIS

INSERT PROJECT NAME