



Project:	Simplified Disclosures for Tier 2 Entities	Meeting:	AASB March 2019 (M174)
Topic:	Summary of NFP private and public sector specific issues raised in relation to ED 295 and staff recommendations	Agenda Item:	3.5
		Date	[insert date]
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		Decision-Making:	High
		Project Status:	Consider comments on ED

OBJECTIVE OF THIS PAPER

- 1 The objective of this paper is for Board members to
 - (a) consider the more detailed responses received and key issues raised in relation to [ED 295 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities](#) as far as they relate specifically to not-for-profit private and public sector entities; and
 - (b) decide whether
 - (i) to make the proposed simplified standard available also to not-for-profit private sector and public sector entities
 - (ii) the standard should apply to these entities at the same time as it will apply to for-profit private sector entities; and
 - (iii) any changes need to be made to the NFP specific disclosures.
- 2 The paper should be read in conjunction with Agenda paper 3.1 which summarises the overall responses and concerns about the proposed effective date for both ED 295 and ED 297 and the detailed responses received that are relevant for all entities (for-profit and not-for-profit).

STRUCTURE

- 3 This Staff Paper is set out as follows:
 - (a) Summary of staff recommendations and questions to the Board

- (b) Summary of key issues identified by staff;
- (c) Next steps;
- (d) Appendix A: Summary of written responses for each question;
- (e) Appendix B: Suggested table to be added to AASB 10XX

SUMMARY OF STAFF RECOMMENDATIONS AND QUESTIONS TO THE BOARD

- 4 In analysing the feedback received from the submissions and the various outreach events, staff had to make a decision on various matters. The key issues identified that require the Board’s approval are discussed in this paper. Editorial comments have been addressed by marking up changes directly on the draft Standard (Agenda paper 3.3) and the reasons for those changes are explained in comment boxes in the draft standard. In summary, staff are seeking approval of the following issues:

Question No.	Overview of staff recommendation	Questions to the Board
Question 1.	Staff recommend that AASB 10XX should be made available to both for-profit and not-for-profit private sector entities and to public sector entities, as proposed in ED 295.	Does the Board agree with the staff recommendation in ED 295 SMC 6 Issue 1 in Appendix A? If no, what does the Board suggest?
Question 2.	Staff recommend to retain the same application date for NFP private sector and public sector entities as AASB 2020-X <i>Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities</i> .	Does the Board agree with the staff recommendation on ED 295 NFP Key issue 1 Table 1? If no, what does the Board suggest?
Question 3.	Staff recommend to <ul style="list-style-type: none"> (a) remove the NFP pre-fix from the paragraph numbering; and (b) add a table to the beginning of the section titled 36 Additional disclosures for Not-for-Profit entities and Public sector entities which lists all relevant disclosures and shows to what type of entities they apply. 	Does the Board agree with the staff recommendation on ED 295 NFP Key issue 2 Table 1? If no, what does the Board suggest?
Question 4.	Staff recommend no further action is taken or changes made in relation to the following issues: <ul style="list-style-type: none"> (a) missing disclosures from AASB 1058 (ED 295 NFP SMC 8 issue 1 in Appendix A) (b) removal of relief from transitional requirements due to information deficiencies (ED 295 NFP SMC 8 issue 2 in Appendix A) (c) Other missing NFP specific disclosures (ED 295 NFP SMC 8 issue 3 in Appendix A) 	Does the Board agree with the staff recommendation that no further change need to be made for any of the issues listed on the left? If no, what does the Board suggest?

SUMMARY OF KEY ISSUES IDENTIFIED BY STAFF

- 5 Submissions have been received from the 25 respondents listed in Table 2 of agenda paper 3.1. Staff have identified the items below to be the key issues raised that are specific to the application of the proposed simplified disclosure standard (SDS or AASB 10XX) to not-for-profit private sector and public sector entities.

TABLE 1 ED 295 key NFP issues

Key issues	Has the issue been previously considered? If yes, where	Why it needs to be addressed (nature and extent of the problem)	Options and recommendation
<p>Key Issue 1: Deferral of application for NFP entities</p> <p>The proposed SDS will replace RDR and applies to NFP private and public sector entities that prepare Tier 2 GPFS with effect from the annual period beginning on or after 1 July 2020 (or 1 July 2021, depending on the Board’s decision on ED 297 key issue 8a) in agenda paper 3.1).</p> <p>Refer to <u>Question 2</u> to the Board.</p>			
<ul style="list-style-type: none"> Nine respondents¹ disagreed with the proposed effective date. Seven respondents² expressed concerns that the proposed SDS may be imposed as only an interim measure for NFP private and public sector entities, particularly in light of further likely changes as result of the NFP and public sector financial reporting frameworks projects and the ACNC Legislative review. 	<p>Yes – refer to paragraph BC 44 in ED 295.</p> <p>Although public sector entities and NFP private sector entities are not currently affected by the proposed removal of SPFS in ED 297, the Board decided to extend the proposals in ED 295 to all</p>	<p>While the SDS will result in less disclosures than required under the RDR, the areas where there are likely the biggest reductions in disclosures (revenue, leasing, financial instruments and interests in other entities) are not necessarily those that are most relevant for NFP entities.</p>	<p>Staff have considered the following options:</p> <ol style="list-style-type: none"> Defer the mandatory application for NFP private and public sector entities until the respective financial reporting frameworks have been finalised. <p>NFP entities would have the option to continue reporting under the RDR until the reporting frameworks have been</p>

1 PS4-PP, P7-QBE, PB8-CPA/CAANZ, AO9-ACAG, O14-KR, O15-IFRSS, O18-SWINBURNE, PS20-GT, PS23-DTT

2 PB8-CPA/CAANZ, AO9-ACAG, PS12-FRS, O18-SWINBURNE, PS20-GT, PB21-IPA and PS23-DTT

Key issues	Has the issue been previously considered? If yes, where	Why it needs to be addressed (nature and extent of the problem)	Options and recommendation
<ul style="list-style-type: none"> ○ Three respondents (AO9-ACAG, PS12-FRS, O18-SWINBURNE) did not support extending the proposed SDS to both sectors until the respective revised financial reporting frameworks have been finalised. ○ CPA/CAANZ (PB8-CPA/CAANZ) suggested that these sectors should have an option to retain RDR until framework projects are completed as benefits of moving from RDR may not exceed costs associated with transition. ● 71% of NFP roundtable participants agreed with the proposed effective date; Four voted against the proposed effective date with concerns over the tight timeframe. Some participants pointed out that the disclosures are not only reductions, but that there are also increases compared to current RDR. Preparers will need time to assess what can be removed and what can be added. 	<p>NFP private sector entities that prepare Tier 2 financial statements and public entities sector entities, other than Federal, State and Territory and Local Government, such that they can immediately benefit from any reduction in disclosures.</p>	<p>Staff therefore acknowledge that the costs and efforts of assessing the differences between the two regimes may outweigh the benefits for some NFP entities.</p> <p>Staff do not have reliable statistics to estimate the number of NFP private sector entities that currently prepare RDR GPFS. While this information is collected by the ACNC via the AIS, the research presented to the Board in September 2019 noted a significant error rate of large charities wrongly declaring that they prepared GPFS³. Bearing that in mind, the AIS data for 2017 shows that there were a total of 16,057 medium and large charities of which 883 stated that they prepared RDR GPFS and 7,511 stated that they prepared (Tier 1) GPFS.</p>	<p>finalised. However, they could still opt to apply the SDS if they wanted to.</p> <p>This would mean the AASB would have to retain and update the RDR disclosures. Significant changes could be necessary as a result of the primary financial statement project⁴ and the insurance standard becoming applicable. It would also mean there are two tier 2 frameworks in operation which could be confusing for both users and preparers.</p> <p>2. Defer the application for NFP private and public sector entities for a fixed period of, say, 2 years after the application date for for-profit entities.</p> <p>Same pros and cons as for 1, but would need to reconsider in 2 years as to whether to extend or not, depending on status of framework projects.</p> <p>May avoid the need to update RDR disclosures in the short term, but if framework projects are not finalised in 2 years the AASB would then have the</p>

³ [Agenda paper 23.1 – Board meeting number 172 September 2019](#)

⁴ IASB ED/2019/7 *General Presentation and Disclosures* issued in December 2019

Key issues	Has the issue been previously considered? If yes, where	Why it needs to be addressed (nature and extent of the problem)	Options and recommendation
		<p>Staff note that any additional cost would only be incurred in the first year. On an ongoing basis the SDS is still expected to result in some cost savings to the NFP sector. Even if the reductions in disclosures may be relatively small, respondents have pointed out that there are also other benefits from having one disclosure standard with simpler language.</p> <p>Further, if the Board agrees with the staff recommendation to defer the mandatory application date of the SPFS removal and the SDS to 1 July 2021, the new disclosures will only have to be applied for the first time in June 2022 financial reports. This will allow time to develop NFP specific guidance material and for targeted education activities.</p>	<p>same question of whether to move entities across for a brief period.</p> <p>3. Retain a consistent application date for both for-profit and not-for-profit entities – ie either 1 July 2020 or 1 July 2021, depending on the Board’s decisions made in relation to ED 297 key issue 8a) discussed in agenda paper 3.1.</p> <p>May result in an increase of cost to NFP entities due to possibly having two changes in quick succession.</p> <p>However, would be less confusing for users as only one set of tier 2 reporting requirements at any one time. There would also be no need to maintain the RDR disclosures.</p> <p>Having considered the advantages and disadvantages above, staff recommend option 3 (no changes required).</p> <p>To assist NFP private and public sector entity transitioning to the SDS, staff recommend preparing educational material that shows any differences in the disclosure requirements.</p>

Key issues	Has the issue been previously considered? If yes, where	Why it needs to be addressed (nature and extent of the problem)	Options and recommendation
<p>Key Issue 2: Other drafting issues</p> <p>Refer to <u>Question 3</u> to the Board</p>			
<ul style="list-style-type: none"> One respondent (PS-11EY) questioned why paragraph Aus 1.7, an AusNFP paragraph, would apply to for-profit public sector entities. One respondent (PS16-RSM) thought all NFP paragraphs should be in one section. 	<p>No</p>	<p>Staff can see why paragraph Aus1.7 and the NFP paragraph numbering prefix used in ED 295 could be confusing for users, as some of the relevant paragraphs also apply to for-profit public sector entities.</p> <p>Staff note that none of the other Australian Accounting Standards specifically identify paragraphs that apply only to not-for-profit private or public sector entities with any specific prefix. Rather, the wording of the paragraph itself makes it clear that these paragraphs apply only to certain types of entities.</p> <p>However, AASB 1004 <i>Contributions</i> has a table at the beginning of the standard which shows which paragraphs apply to which type of public sector</p>	<p>Staff have considered the following options:</p> <ol style="list-style-type: none"> Retain NFP prefixes, even if consecutive numbering is used in the standard. <p>Easy to identify NFP specific disclosures, but would still need to identify whether disclosures apply to NFP private and/or FP and NFP public sector entities.</p> <ol style="list-style-type: none"> Remove NFP prefixes and rely on text only, to identify where disclosures are applicable to NFP entities. <p>Will make it more difficult for NFP private or public sector entities to quickly identify additional disclosures that apply only to them.</p> <ol style="list-style-type: none"> Move all NFP disclosures into a separate section.

Key issues	Has the issue been previously considered? If yes, where	Why it needs to be addressed (nature and extent of the problem)	Options and recommendation
		<p>entity. A similar table could be used to provide a complete list of NFP private and public sector specific disclosures, showing where these disclosures can be found and to which type of entities they apply.</p>	<p>Not all entities may realise that they have to look in two places, eg for leasing-related disclosures.</p> <p>4. As for option 2, but add a table at the beginning of the section setting out the majority of the NFP specific disclosures which refers to other relevant disclosures and also clearly sets out which paragraphs apply to which type of NFP entity. See Appendix B for an illustration of what this table could look like.</p> <p>This option would address the disadvantage of option 2 while still removing the confusing prefix. It would also help the respondent who would prefer having all disclosures in one section.</p> <p>Having considered the advantages and disadvantages above, staff recommend option 4. Changes to the drafting would be required, these are not yet reflected in AASB 10XX.</p>

NEXT STEPS

1. Provided the Board agrees with the staff recommendations above, staff will remove the NFP paragraph numbering prefixes from draft AASB 10XX and insert the table recommended in key issue 2 at the beginning of section 36 'Additional Disclosures for Not-for-Profit Entities and Public Sector Entities'.
2. If the Board votes to make the Standard based on the pre-ballot draft, with the mark-ups accepted and any additional changes identified, note that the final Standard will not include the marking-up.

APPENDIX A: SUMMARY OF WRITTEN RESPONSES FOR EACH QUESTION

SMC 6 Do you agree that the proposed Simplified Disclosure Standard should also be made available to NFP private sector entities and all public sector entities that can apply Tier 2 reporting requirements as set out in AASB 1053? If you disagree, please explain why.

Respondents	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
Professional Services	4 (PS5-NA, PS11-EY, PS13-HLB, PS17-KPMG)	3 (PS16-RSM, PS20-GT, PS23-DTT)	1 (PS12-FRS)	-	2 (PS1-PwC, PS4-PP)	10
Professional body	-	2 (PB8-CPA/CAANZ, PB21-IPA ⁵)	-	-	1 (PB10-AICD)	3
User	-		-	-	1 (U25-Equifax)	1
Preparer	-	1 (P6-HoTARAC)	-	-	2 (P7-QBE, P22-Suncorp)	3
Regulator	1 (R2-ACNC)	-	-	-	1 (R24-ATO)	2
Public sector audit office	-	-	1 (AO9-ACAG)	-		1
Other (Academic, Consultant, Personal, Software provider)	-	-	1 (O18-SWINBURNE)	-	4 (O3-DS, O14-KR, O15-IFRSSYSTEM, O19-DH)	5
Total	5	6	3	-	11	25

Issue 1. Should AASB 10XX be made available to NFP private sector entities and to public sector entities, as proposed in ED 295?

Respondents are generally supportive of making the proposals also available to NFP entities, subject to the proposed deferral of the application date discussed in key issue 1 in Table 1 of this paper.

However, one respondent (P6-HoTARAC) agreed with the Board's comments in paragraphs BC 9 and 44 that ED 295 should only be an interim step in streamlining the NFP financial reporting framework.

The respondent further noted that they do not expect much reduction in disclosures for Tier 2 public sector entities and recommended further streamlining the disclosures, eg by revisiting the financial instruments and fair value disclosures.

5 IPA's comments have been addressed as part of SMC 2 Issue 3 in Agenda Paper 3.1

Respondents	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
<p>Roundtable feedback: All (except one⁶) NFP roundtable participants agreed that the proposed SDS should replace RDR and all participants agreed that the proposed SDS should also be made available to NFP entities. One public sector representative noted that while they did not expect significant cost savings as a result of moving from RDR to the simplified disclosure standard, they thought the new standard might help the sector in presenting financial statements more efficiently.</p> <p>Staff response and recommendation</p> <p><i>Staff note that the project plan to clarify and simplify the financial reporting framework for the Australian public sector was approved by the Board in November 2019. This envisages the development of a third tier of reporting entities with further simplified reporting requirements. However, considering the broad support for the proposals, staff recommend that AASB 10XX should be made available for NFP entities while the NFP and Public sector financial reporting frameworks are being finalised.</i></p> <p><i>Any communications and educational material issued should explain clearly and that this does not affect the ability of NFP entities to assess as non-reporting entities and continue preparing special purpose financial statements.</i></p> <p>Refer to Question 1 to the Board.</p>						
<p>Issue 2. Deferral of application for NFP entities</p> <p>Refer to ED 295 NFP Key issue 1 for detailed analysis.</p>						
<p>Issue 3. Other drafting issues</p> <p>Refer to ED 295 NFP Key issue 2 for details.</p>						

SMC 7 . Do you agree:

(a) with the principles applied to identify the additional disclosures for NFP private sector and public sector Tier 2 entities (as explained in paragraph BC45)? If you disagree, please explain why.

Respondent	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
Professional Services	4 (PS11-EY, PS17-KPMG, PS20-GT, PS23-DTT)	-	1 (PS12-FRS)	-	5 (PS1-PwC, PS4-PP, PS5-NA, PS13-HLB, PS16-RSM)	10
Professional body	-	1 (PB21-IPA)	-	-	2 (PB8-CPA/CAANZ, PB10-AICD)	3
User	-	-	-	-	1 (U25-Equifax)	1

⁶ One NFP participant was unsure whether the proposed SDS should replace RDR

Respondent	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
Preparer	1 (PS6- HoTARAC)	-	-	-	2 (P7-QBE, P22- Suncorp)	3
Regulator	-	1 (R2-ACNC)	-	-	1 (R24-ATO)	2
Public sector audit office	-	-	1 (AO9-ACAG)	-		1
Other (Academic, Consultant, Personal, Software provider)	-	-	1 (O18- SWINBURNE)	-	4 (O3-DS, O14-KR, O15- IFRSSYSTEM, O19-DH)	5
Total	5	2	3	-	15	25

Issue 1. Deferral of application for NFP entities

Refer to ED 295 NFP Key issue 1 for detailed analysis

Issue 2. Principles applied to determine NFP specific disclosures

One respondent (PS12-FRS) questioned whether it is generally appropriate to refer to previous decisions made under the RDR framework when the IFRS for SMEs principles are now deemed to be superior.

One respondent (AO9-ACAG) recommended adding the principles of stewardship and accountability to the principles in BC37 of ED 295, as these are important to users of NFP financial statements.

One respondent (R2-ACNC) highlighted the different users' needs for information between FP and NFP sectors. As such, information such as restrictions on assets or reserves, and service performance reporting may be relevant to the users of NFP financial statements.

Webinar feedback:

One webinar participant said that the disclosures may need to distinguish between FP and NFP entities in certain areas (eg tax reconciliation and/or related party).

Staff response and recommendation

Not a new issue – see paragraphs BC67 – BC68 in ED 295.

In particular, as set out in BC67, the Board considered separately any R&M differences that are specific to NFP private sector and public sector entities, and also the fact that users may require information on non-financial accountability and stewardship even if the broad principles in BC37 of ED 295 would not indicate such a need.

While the Board ultimately concluded that previous decisions made under the current RDR framework in relation to the cost vs the benefits of these disclosures in relation to Tier 2 NFP entities remained relevant, this was done on the basis of the staff analysis performed in Board Paper [3.3 Staff analysis of NFP modifications paragraphs in AAS and NFP specific AASB standards](#).

The disclosure requirements of NFP entities will be further reviewed as part of the NFP Financial Reporting Framework project. On that basis, staff consider that no further action is needed.

Refer to [Question 1](#) to the Board.

Respondent	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
Issue 3. Missing NFP specific disclosures						
See SMC 8 for detailed analysis.						

(b) that previous decisions made under the RDR Framework in relation to the cost vs the benefits of these disclosures do not need to be revisited (as explained in BC68.) If you disagree, please explain why.

Respondent	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
Professional Services	2 (PS11-EY, PS20-GT)	1 (PS23-DTT)	1 (PS12-FRS)	-	6 (PS1-PwC, PS4-PP, PS5-NA, PS13-HLB, PS16-RSM, PS17-KPMG)	10
Professional body	-	-	-	-	3 (PB8-CPA/CAANZ, PB10-AICD, PB21-IPA)	3
User	-	-	-	-	1 (U25-Equifax)	1
Preparer	1 (PS6-HoTARAC)	-	-	-	2 (P7-QBE, P22-Suncorp)	3
Regulator	-	-	-	-	2 (R2-ACNC, R24-ATO)	2
Public sector audit office	-	-	1 (AO9-ACAG)	-	-	1
Other (Academic, Consultant, Personal, Software provider)	-	-	-	-	5 (O3-DS, O14-KR, O15-IFRSSYSTEM, O18-SWINBURN, O19-DH)	5
Total	3	1	2	-	19	25
Issue 1. Missing NFP specific disclosures						

Respondent	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
Refer SMC 8 below above for detailed analysis.						
Issue 2. Other comments						
One respondent (PS23-DTT) agreed that the disclosures don't need to be revisited, but noted that the SDS will affect public sector reporters that need to communicate their financial information for whole of government reporting purposes through supplementary reporting.						
Staff analysis and recommendation:						
<i>No new information, no action required.</i>						

SMC 8 Do you agree with the disclosures identified for NFP private sector and public sector Tier 2 entities in this Simplified Disclosure Standard? If you disagree, please identify, with reasons:

(a) which of the disclosures proposed should not be required for NFP private sector and public sector Tier 2 entities; and

(b) which disclosures not proposed in the ED should be required for NFP private sector and public sector Tier 2 entities.

Respondent	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
Professional Services	3 (PS17-KPMG, PS20-GT, PS23-DTT)	1 (PS11-EY)	-	-	6 (PS1-PwC, PS4-PP, PS5-NA, PS12-FRS, PS13-HLB, PS16-RSM)	10
Professional body	1 (PB8-CPA/CAANZ)	1 (PB21-IPA)	-	-	1 (PB10-AICD)	3
User	-	-	-	-	1 (U25-Equifax)	1
Preparer	-	-	1 (P6-HoTARAC)	-	2 (P7-QBE, P22-Suncorp)	3
Regulator	-	-	1 (R2-ACNC)	-	1 (R24-ATO)	2
Public sector audit office	-	-	1 (AO9-ACAG)	-		1
Other (Academic, Consultant, Personal,	-	-	-	-	5 (O3-DS, O14-KR, O15-IFRSSYSTEM, O18-	5

Respondent	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
Software provider)					SWINBURN, O19-DH)	
Total	4	2	3	-	16	25

Issue 1. Missing disclosures from AASB 1058

Three respondents (R2-ACNC, AO9-ACAG and PS17-KPMG) suggested to require the disclosure of externally imposed restrictions from AASB 1058.37 for not-for-profit entities.

Roundtable feedback:

One participant suggested considering whether the disclosures about contingent liabilities in relation to the potential repayment of grants by NFP entities are sufficient.

Reporting of fundraising activities was also raised as an area where disclosures could be improved.

Staff response and recommendation:

In response to stakeholders' feedback to retain the disclosures in AASB 1058 paragraph 37 for NFP tier 2 entities, staff note that these disclosures are currently not mandatory for tier 1 entities. This was decided by the Board when developing AASB 1058, since the disclosures had not been previously exposed (BC126-130 in AASB 1058).

The proposed SDS only includes mandatory disclosures and does not have 'encouraged' disclosures for any other topic. On that basis, staff do not recommend adding this disclosure to AASB 10XX.

Instead, staff recommend that this issue and the other recommended additional disclosures for entities applying AASB 1058 are revisited as part of the post-implementation review of AASB 1058 which is due to commence in January 2021.

Refer to [Question 4](#) to the Board.

Issue 2. Relief from transitional requirements due to information deficiencies

One respondent (PS11-EY expressed concern that the disclosure in AusNFP35.16 (ie the exception from making an explicit and unreserved statement of compliance with AAS) could condone inappropriate and inconsistent application of accounting standards.

Staff response and recommendation:

Staff note that the same disclosure is included in AASB 1 para Aus3.2 and – to our knowledge – has not given rise to any concerns. Staff have confirmed with EY that this comment was not raised in relation to a particular transaction or event. On that basis, staff recommend retaining the disclosure unchanged.

Staff have further referred to the amending standard which introduced the exception into AASB 1 ([AASB 2006-2 Amendments to Australian Accounting Standards](#)). The preface of the amendments confirms that the addition of paragraph Aus3.2 was considered a reasonable response to a transitional issue affecting certain not-for-profit public sector entities and would not condone non-compliance with other Standards and or provide relief from compliance with other Standards.

Refer to [Question 4](#) to the Board.

Issue 3. Other missing NFP specific disclosures

One respondent (AO9-ACAG) further thought the following NFP specific disclosures should be added:

- AASB 107 paragraph Aus 20.2
- AASB 1052 (disaggregated disclosures)

Respondent	Agree	Agree with Comments	Disagree	Unclear	No comments	Total
<p>noting that although the decisions to remove these disclosures from RDR were made following due process and explanations were provided, the explanations in the ED for removing existing RDR disclosures are insufficient.</p> <p>Staff response and recommendation:</p> <p><i>Staff note that the respondent has not provided any evidence that users have expressed a need for this particular information. Staff have also not heard from any other stakeholders that there are concerns about the current level of disclosures provided by Tier 2 NFP private and public sector entities. On that basis staff recommend no changes are made.</i></p> <p>Refer to Question 4 to the Board.</p>						

APPENDIX B – SUGGESTED TABLE TO BE ADDED TO AASB 10XX

This Appendix presents the table that would be inserted in section 36, if the Board agrees with the staff recommendation in Key issue 2.

Additional disclosures for not-for-profit entities and public sector entities

The following table identifies which paragraphs in this Standard are applicable only to not-for-profit private sector entities and public sector entities:

AusNFP Paragraphs	Disclosure	Not-for-profit (NFP) entities	NFP public sector entities	Public sector entities (whether for-profit or NFP)	Government departments	Government departments and certain other public sector entities ⁷	Entities in scope of AASB 1051 ⁸	Entities in scope of AASB 1055 ⁹
13.22.1	Inventories – basis on which loss of service potential is assessed	X						
20.35.1	Leases with significantly below-market terms and conditions	X						
35.16	Transition – difficulties in complying with requirements of		X					

7 Applies to government departments and other public sector entities that obtain part or all of their spending authority for the period from a parliamentary appropriation.

8 AASB 1051 applies to general purpose financial statements of local governments, government departments and whole of governments, and financial statements of GGSs.

9 AASB 1055 applies to whole of government general purpose financial statements of each government; financial statements of each government's GGS; general purpose financial statements of each not-for-profit reporting entity within the GGS; and financial statements of each not-for-profit entity within the GGS that are, or are held out to be, general purpose financial statements.

AusNFP Para- graphs	Disclosure	Not-for- profit (NFP) entities	NFP public sector entities	Public sector entities (whether for-profit or NFP)	Govern- ment depart- ments	Govern- ment depart- ments and certain other public sector entities⁷	Entities in scope of AASB 1051⁸	Entities in scope of AASB 1055⁹
	certain Australian Accounting Standards							
36.1	Contributions				X			
36.2 – 36.3	Administered items				X			
36.4	Land under Roads						X	
36.5- 36.7	Budgetary Reporting							X
36.8- 36.19	Income of NFP entities	X						
36.20 - 36.23	Compliance with parliamentary appropriations and related authorities for expenditure					X		
36.24- 36.35	Service Concession Arrangements			X				