

Australian Accounting Standards Board

Annual Report 2008-09

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LETTER OF TRANSMITTAL

2 October 2009

The Honourable Chris Bowen MP
Minister for Financial Services,
Superannuation and Corporate Law
Suite M1.24
PO Box 6022
Parliament House ACT 2600

Dear Minister

I have pleasure in presenting the annual report of the Australian Accounting Standards Board (AASB) and the Office of the Australian Accounting Standards Board for the year ended 30 June 2009.

The report has been prepared in accordance with Part 12 Division 3 of the *Australian Securities and Investments Commission Act 2001* (ASIC Act) and the *Financial Management and Accountability Act 1997* (FMA Act).

Subsection 235J of the ASIC Act requires me to prepare a report of the operations of the AASB and the Office of the AASB during the year, and on the achievement of the objects of Part 12 of the ASIC Act relating to accounting standards. The report must be tabled in each House of the Parliament as soon as practicable.

Yours sincerely

A handwritten signature in black ink, reading "K.M. Stevenson". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Kevin Michael Stevenson
Chairman, Australian Accounting Standards Board
CEO, Office of the Australian Accounting Standards Board

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ABBREVIATIONS

The following abbreviations are used throughout this report:

AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ANAO	Australian National Audit Office
APRA	Australian Prudential Regulatory Authority
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASRB	Accounting Standards Review Board – New Zealand
ASRS	Australian Standards on Related Services
ASX	Australian Securities Exchange
AUASB	Auditing and Assurance Standards Board (as reconstituted on 1 July 2004)
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CDS	Commonwealth Disability Strategy
CLERP	Corporate Law Economic Reform Program
CLERP 9 Act	<i>Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004</i>
EFRAG	European Financial Reporting Advisory Group
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FMO	Finance Minister’s Orders
FRC	Financial Reporting Council
FRLI	Federal Register of Legislative Instruments
FRSB	Financial Reporting Standards Board – New Zealand
FSF	Financial Stability Forum
GAAP	Generally accepted accounting principles

ABBREVIATIONS (CONTINUED)

GFS	Government finance statistics
GGs	General government sector
GST	Goods and services tax
HoTARAC	Heads of Treasuries Accounting and Reporting Advisory Committee
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IASCF	International Accounting Standards Committee Foundation
ICAA	The Institute of Chartered Accountants in Australia
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IPSASB	International Public Sector Accounting Standards Board
MoU	Memorandum of Understanding
NIA	National Institute of Accountants
NSS	National Standard Setters
PCAOB	Public Company Accounting Oversight Board
RIS	Regulation Impact Statement
SAC	Standards Advisory Council (of the IASB)
TTAASAG	Trans-Tasman Accounting and Auditing Standards Advisory Group

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Chairman's review

CHAIRMAN'S REVIEW

INTRODUCTION



It has been a year of transition for the AASB.

From 1 July 2008, the AASB has been governed by the *Financial and Management Accountability Act 1997* (the FMA Act), which deals with the proper management by government agencies of public money and public property and the lines of accountability and reporting for these matters within agencies.

Additionally, the AASB Chairman, Professor David Boymal, retired in November 2008 and Deputy AASB Chairman, Bruce Porter served as Acting Chairman until 30 June 2009.

On the technical front, this year saw standard setting challenged for new answers to extreme problems arising from the global financial crisis. Ironically, this challenge has probably slowed the process of achieving global convergence of accounting standards at the same time as it has underscored the need for that convergence.

This annual report, for the financial year ended 30 June 2009, has been prepared under section 5 of the FMA Act, and includes the activities of the AASB and the Office of the AASB.

OBJECTIVES OF THE AASB

The major objectives of the AASB are to progress the adoption of IASB standards for application by for-profit entities in Australia, to produce standards that treat like-transactions consistently for all reporting entities, to contribute to the development of international accounting standards and to develop standard setting expertise. Progress in achieving these objectives in 2008-09 is described below.

Australian versions of IASB documents

During this very active year, the AASB issued 4 accounting standards, 6 interpretations, 17 amending standards, 19 exposure drafts, 5 invitations to comment and 2 discussion papers.

The AASB has successfully kept pace with the many changes to IFRSs during 2008-09 in a manner that ensures that Australian standards are identical to the original IFRSs in respect of for-profit entities. The number of changes to IFRSs remains substantial, and in order to permit companies to early-adopt these changes and be IFRS compliant, it is necessary for the AASB to make the changes soon after the IASB has made them.

In addition, each time the IASB issued an exposure draft, invitation to comment or draft interpretation, the AASB has published an equivalent document, with an Australian Preface. When there was a perceived need, particular consultative documents have also been issued in printed form.

Standards that treat like-transactions consistently

The effect of the AASB 'transaction neutrality' policy is that like-transactions and events are dealt with in a like manner between the for-profit sector and the not-for-profit sector, unless there is sound reason to differ in particular circumstances.

The AASB uses IFRSs as the starting point, and then determines whether a varied treatment is appropriate for the not-for-profit private sector and/or the public sector. If required, these changes are presented in the form of additional Australian paragraphs or in the form of separate standards.

During the year, the AASB applied this approach to all of the IFRS amendments and specifically asked its constituents to comment on the possible consequences of such changes for the other sectors. For example, this approach is reflected in the recent amendments to AASB 123 *Borrowing Costs*, in respect of borrowing costs of not-for-profit public sector entities, reflect the AASB response to constituent concerns under this approach.

The AASB (in conjunction with the New Zealand Financial Reporting Standards Board [FRSB]) is developing a common set of criteria to assess whether changes to the IFRS, as they apply in not-for-profit circumstances, are warranted. The AASB is also considering feedback from constituents on an Invitation to Comment on the FRSB and AASB *Working Draft Process for Modifying, or Introducing Additional requirements to IFRS for PBE/NFP Entities*. A similar approach to using IFRS as the starting point, and having a documented process for identifying possible departures, is also being utilised by the International Public Sector Accounting Standards Board (IPSASB).

Contributions to the development of International Financial Reporting Standards

The AASB is an active contributor to the development of a single set of high-quality financial reporting standards, by the IASB and IPSASB, for use internationally.

During 2008-09, the AASB:

- continued to participate in a number of IASB and IPSASB research projects. We undertook research work on accounting for intangible assets and, in conjunction with the National Standard Setters Group, published a discussion paper *Initial Accounting for Internally Generated Intangible Assets* in December 2008.

The AASB continued to lead an IASB project team on extractive activities accounting and the IASB is expected to publish the findings as a discussion paper in early 2010. The AASB is actively involved with the IPSASB project on a public sector conceptual framework.

In addition, Australia, Canada, New Zealand and United Kingdom continue to jointly sponsor and contribute to ongoing research into the potential implications of the proposed IASB changes to the Conceptual Framework on public sector and not-for-profit entity accounting.

- responded to all significant IASB and IPSASB exposure drafts and invitations to comment in the name of the AASB or the AASB staff. There have been 11 such responses in 2008-09.

The AASB has also implemented a process for providing timely responses to requests from the IASB for urgent input on issues it is addressing in response to the global financial crisis and meeting the expectations of the G20 for the development of improved accounting requirements relating to financial instruments.

The AASB establishes focus groups, as appropriate, and has a number of Project Advisory Panels on specific topics, including financial instruments, superannuation entities and insurance contracts.

The AASB formed a Financial Instruments Project Advisory Panel to provide input to the AASB on preparing submissions to the IASB and to meet requests for information from the IASB as part of its response to the global financial crisis.

- provided technical support to Australian representatives and sub-committee members at various IASB and IPSASB meetings. During the year, briefings were provided to the Australian members of the IASB's International Financial Reporting Interpretations Committee, the IASB's Standards Advisory Council and the IASB's Insurance Project Working Party before each meeting. An AASB staff member attended each IPSASB meeting as Technical Adviser to the Australian IPSASB member and AASB staff provided briefings to that member and the New Zealand member, jointly with New Zealand FRSB staff, prior to each IPSASB meeting.

- closely monitored progress on selected IASB and IPSASB projects to alert Australian stakeholders about forthcoming significant issues and to indicate Australian viewpoints to the IASB and IPSASB early in the process.
- maintained close working relationships with equivalent organisations in other parts of the world, including Canada, New Zealand, United Kingdom and the United States. In this regard, the Chairman, Acting Chairman, and/or members and senior staff attended:
 - the annual IASB meeting of World Standard Setters in London;
 - the half-yearly meetings of the National Standard Setters Group in London and Cape Town;
 - the IASB Singapore Conference; and
 - a preparatory meeting of the Asian-Oceanian Standards Setters Group (AOSSG), held in Beijing in April 2009.

The AOSSG, which will meet for the first time in November 2009, is an important regional initiative for standard setters to discuss issues and share experiences on the adoption of IFRSs and to contribute to the development of a high-quality set of global accounting standards.

Under a reciprocal arrangement with New Zealand, the AASB Chairman is a member of the New Zealand FRSB and the FRSB Chair is a member of the AASB. The AASB and FRSB met jointly in July 2008 and will do so again in October 2009. The AASB and the FRSB are closely cooperating to progress a number of projects, have recently issued joint consultation documents on accounting for non-exchange income and are developing a process for modifying IFRSs for not-for-profit entities.

DOMESTIC PRIORITIES TO DRIVE IMPROVEMENTS IN AUSTRALIAN FINANCIAL REPORTING

During 2008-09 the domestic priorities have included:

- (a) superannuation plans and approved deposit funds accounting.

Work continued on the development of an accounting standard to replace Accounting Standard AAS 25 *Financial Reporting by Superannuation Plans* with the objective of improving the quality of financial reporting by superannuation plans and approved deposit funds.

A significant milestone in this project was achieved with the issue of Exposure Draft ED 179 *Superannuation Plans and Approved Deposit Funds* in May 2009. This followed

extensive discussion by the AASB and valuable feedback from industry constituents, in response to the AASB consultation paper on consolidation issues, and input from members of the project advisory panel. In view of the significance of the issues being addressed, the AASB provided an extended comment period until 30 September 2009. The AASB expects to issue a replacement standard during 2010.

(b) not-for-profit private and public sector entities.

During the year, the AASB progressed a project on GAAP/GFS harmonisation for government departments and other entities within the General Government Sector. Exposure Draft ED 174 *Amendments to Australian Accounting Standards to facilitate GAAP/GFS Harmonisation for Entities within the GGS* was issued in January 2009. The AASB is currently considering feedback from constituents and is undertaking further consultation with the FRC to clarify the future direction of this project.

In conjunction with the New Zealand FRSB, work on improving accounting for non-exchange income including government grants, has resulted in the issue of a joint Exposure Draft ED 180 *Income from Non-Exchange Transactions (Taxes and Transfers)* in June 2009.

The AASB received funding from the Commonwealth Government to undertake a project on accounting by private sector not-for-profit entities, with particular emphasis on developing disclosure requirements for charitable organisations. This project will involve the preparation of one or more consultation papers to facilitate liaison with constituents on this topic.

(c) differential reporting.

During the year the AASB continued to discuss differential reporting for the for-profit and the not-for-profit sectors. The Board reached a number of tentative conclusions, which are being reconsidered in the context of the requirements of the IASB standard IFRS for SMEs, which was issued in July 2009. The project involves a fundamental review of the existing differential reporting framework and is likely to have significant implications for financial reporting in Australia. A consultative paper is being prepared for release by the FRC, the AASB and the Commonwealth Treasury later this year.

DEVELOPMENT OF STANDARD-SETTING EXPERTISE

A function of the AASB is to develop personnel with experience in standard setting so that Australia can continue to play a significant role in the development of international standards.

The AASB's successful graduate internship program ensures that the AASB is providing a steady stream of young people with standard-setting skills for the wider

accounting community. Additionally, during 2008-09, one staff member returned from a secondment with a Big 4 accounting firm, one senior staff member was seconded to the IASB for an extended period and two staff members have been seconded from Big 4 accounting firms.

DEVELOPMENT OF TECHNOLOGY FOR STANDARD SETTING

During the year, the AASB developed a website solution to enable constituents to identify and locate the versions of accounting pronouncements (standards, interpretations and conceptual framework) that are relevant to any financial reporting period since 1 January 2005. The system extracts the pronouncement versions applicable to the period specified by the website user, with convenient links to any un-compiled amendments that are also relevant.

The AASB continues to publish the compiled versions of amended pronouncements on its website. These compiled versions include the complete version of all pronouncements applicable at any one time. However, the selection of the correct version among many has been greatly simplified by the new and improved website.

Some accountants choose to use a printed book of the accounting pronouncements. However, amendments may have been made since the print date and so annually printed copies of accounting pronouncements cannot solely be relied upon.

Differing application dates for various parts of individual pronouncements make them more complex. This has made it much more difficult for constituents to determine whether a particular version of a pronouncement is the current one or whether it is the version that they need.

For example, it's not as simple as just selecting the latest version of an accounting standard. The right version must be used for the specific reporting period for the entity involved. The latest version is not necessarily relevant. And not all financial reporting periods start and end on common dates. Therefore, the correct accounting pronouncements need to be identified for an entity's particular reporting period, based on both its starting and ending dates.

Website users will no longer have to search and combine a number of lists on the AASB website; now the relevant information is presented in Google-like search results. This is a much more convenient and more accessible presentation of the accounting standards and other pronouncements that constituents need to prepare their financial reports than they have ever had before.

Relationship with Treasury

The AASB has continued to provide the Treasury Ministers with timely and reliable advice on significant matters relating to its functions and activities.

Given the complementary roles of Treasury and the AASB, in the area of corporate regulation, the AASB will continue to maintain a close working relationship with Treasury and continue its practice of inviting Treasury officers to attend AASB meetings, as appropriate. In the AASB's experience, this practice enables Treasury to take into account the views and experience of the AASB and keeps the AASB informed of relevant developments in other policy and legislative areas. This practice also promotes clear communication on administrative matters.

The AASB will continue to provide the Secretary to the Treasury with all information, briefings, press releases and correspondence provided to Treasury Ministers, and will also support the Secretary to the Treasury by providing briefings on significant issues relating to its activities and the activities of the AASB that may arise from time to time.

ACKNOWLEDGEMENTS

Following the retirement of David Boymal, as Chairman, at the end of his five-year term in November 2008, Bruce Porter was appointed Acting Chairman until 30 June 2009. My term as Chairman commenced 1 July 2009.

My thanks go to the present and retired members of the AASB for their significant contributions of expertise, time, debate and opinion to the standard-setting function. A special thanks goes to Bruce Porter for holding the reins as Acting Chairman for much of the year.

During the year, Ms Jan McCahey and Mr Colin Parker retired from the Board and they were replaced by Messrs Victor Clarke and Ian McPhee.

Thanks also goes to the AASB technical staff, headed by Technical Director, Angus Thomson and Deputy Technical Director, Robert Keys and to the AASB administrative staff, headed by Finance and Administration Director, Ms Litsa Pillios.

Finally, thanks go to the AASB constituents, who respond to exposure drafts, invitations to comment and discussion papers and who make time freely available to participate in consultative groups, project advisory panels, and roundtable discussions.

OUTLOOK 2009-10

The next 12 months will see the AASB concentrating on:

- keeping pace with the IASB in dealing with the major revisions to the Financial Instruments standards and remaining convergence projects;
- a reconsideration of the reporting entity framework in light of the publication by the IASB of the *IFRS for SMEs* standard and other possible regulatory changes;
- a renewed focus on the public sector specific issues and IPSASB developments; and
- the new initiative in relation to the presentation and disclosure of not-for-profit entities (including charities) in the private sector.

It is likely that 2009-10 will be characterised by a high volume of exposure drafts, invitations to comment, amended standards and new standards. The Work Program, in Appendix C, highlights the projects involved. The AASB will do its utmost to assist constituents to meet the challenges of this volume of activity.

A handwritten signature in black ink that reads "K.M. Stevenson". The signature is written in a cursive style with a long, sweeping underline.

Kevin Michael Stevenson
Chairman
2 October 2009

AASB Overview

AASB OVERVIEW

The AASB is an Australian Government Agency under the *Australian Securities and Investments Commission Act 1989* (ASIC Act).

The AASB is required to advance the main objects of Part 12, section 224 of the ASIC Act:

- (a) to facilitate the development of accounting standards that require the provision of financial information that:
 - (i) allows users to make and evaluate decisions about allocating scarce resources; and
 - (ii) assists directors to discharge their obligations in relation to financial reporting; and
 - (iii) is relevant to assessing performance, financial position, financing and investment; and
 - (iv) is relevant and reliable; and
 - (v) facilitates comparability; and
 - (vi) is readily understandable; and
- (b) to facilitate the Australian economy by:
 - (i) reducing the cost of capital; and
 - (ii) enabling Australian entities to compete effectively overseas; and
 - (iii) having accounting standards that are clearly stated and easy to understand; and
- (c) maintain investor confidence in the Australian economy (including its capital markets).

Part 12, section 227 of the ASIC Act provides that:

- (1) The functions of the AASB are:
 - (a) to develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards; and
 - (b) to make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the corporations legislation (other than excluded provisions); and
 - (c) to formulate accounting standards for other purposes; and
 - (d) to participate in and contribute to the development of a single set of accounting standards for world-wide use; and
 - (e) to advance and promote the main objects of this part.
- (2) In carrying out its functions the AASB must have regard to the interests of Australian corporations which raise or propose to raise capital in major international financial centres.

MISSION OF THE AASB

The mission of the AASB is to:

- (a) develop and maintain high-quality financial reporting standards for all sectors of the Australian economy; and
- (b) contribute, through leadership and talent, to the development of global financial reporting standards and to be recognised as facilitating the inclusion of the Australian community in global standard setting.

Portfolio outcome and output structure

AASB Chairman: Kevin Stevenson

Outcome 1:	The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.
Output Group 1.1	AASB
Output 1.1.1	Making accounting standards under section 336 of the <i>Corporations Act 2001</i> for the purpose of the financial reporting requirements of the legislation and providing guidance on the interpretation of those standards.
Output 1.1.2	Formulating accounting standards for the purposes of financial reporting by Australian entities that are not subject to the reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards.
Output 1.1.3	To provide Australian participation in, and contribution to, the development of a single set of accounting standards for worldwide use.

Report on performance

REPORT ON PERFORMANCE

INTRODUCTION

This section outlines the outputs of the Board during 2008-09, as well as the progress made on the 2008-09 work program.

During 2008-09 there was a substantial increase in the number of pronouncements issued and 'open for comment' documents compared with previous years. A number of these documents can be attributed to the IASB's response to the current economic environment, which has been to propose substantial amendments to many standards, particularly those associated with financial instruments.

A full list of Accounting Standards, Interpretations and Statements of Accounting Concepts, and their issue dates, can be found in Appendix B.

The Office of the AASB has had no significant changes in financial results from the previous year, or from the budgeted financial statements for the financial year as set out in the Portfolio Budget Statement/Portfolio Additional Estimate Statement, and their implications.

Agency resource statement

	Actual available appropriations	Payments made	Balance remaining
Ordinary annual services			
Departmental			
Prior year departmental appropriation	–	–	–
Departmental appropriation	1,493,640	1,493,640	–
Section 31 Relevant agency receipts	2,416,817	2,416,817	0
Total ordinary annual services	3,910,457	3,910,457	0
Departmental non-operating			
Equity injection	3,688,000	–	3,688,000
Total other services	3,688,000	–	3,688,000
Special Accounts			
Opening balance	–	–	–
Appropriation receipts	700,000	100,703	599,297
Total special accounts	700,000	100,703	599,297
Total resourcing and payments	8,298,457	4,011,160	4,287,297

Agency summary resource table by outcomes

Office of the AASB: Resources for outcomes 2008-09

	Budget	Actual expenses	Variation
Outcome 1:			
The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions			
Output Group 1.1:			
AASB			
Departmental expenses			
Ordinary annual services (Appropriation Bill No. 1)	1,494,000	1,493,640	360
Revenues from independent sources (section 31)	2,417,000	2,416,817	183
Special Accounts	700,000	100,703	599,297
Total for Outcome 1	4,611,000	4,011,159	599,840

OUTPUTS

During 2008-2009, the Board issued or reissued the following standards and other documents:

Standards	
AASB 1	<i>First-time Adoption of Australian Accounting Standards (revised)</i> (May 2009)
AASB 1039	<i>Concise Financial Reports (revised)</i> (August 2008)
AASB 1048	<i>Interpretation and Application of Standards (revised)</i> (March 2009)
AASB 1048	<i>Interpretation and Application of Standards (revised)</i> (September 2008)
AASB 2007-10	<i>Further Amendments to Australian Accounting Standards arising from AASB 101</i> (December 2007)
AASB 2008-5	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> (July 2008)
AASB 2008-6	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> (July 2008)
AASB 2008-7	<i>Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i> (July 2008)
AASB 2008-8	<i>Amendments to Australian Accounting Standards — Eligible Hedged Items</i> (August 2008)
AASB 2008-9	<i>Amendments to AASB 1049 for Consistency with AASB 101</i> (September 2008)
AASB 2008-10	<i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets</i> (September 2008)
AASB 2008-11	<i>Amendments to Australian Accounting Standards — Business Combinations Among Not-for-Profit Entities</i> (November 2008)
AASB 2008-12	<i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets — Effective date and Transition</i> (December 2008)

Standards (continued)

AASB 2008-13	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 17</i> (December 2008)
AASB 2009-1	<i>Amendments to Australian Accounting Standards — Borrowing Costs of Not-for-Profit Public Sector Entities</i> (April 2009)
AASB 2009-2	<i>Amendments to Australian Accounting Standards — Improving Disclosures about Financial Instruments</i> (April 2009)
AASB 2009-3	<i>Amendments to Australian Accounting Standards — Embedded Derivatives</i> (April 2009)
AASB 2009-4	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> (May 2009)
AASB 2009-5	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> (May 2009)
AASB 2009-6	<i>Amendments to Australian Accounting</i> (June 2009)
AASB 2009-7	<i>Amendments to Australian Accounting Standards</i> (June 2009)

Exposure drafts and draft Interpretation

ED 165	<i>Improvements to Australian Accounting Standards</i> (August 2008)
ED 166	<i>Simplifying Earnings per Share: Proposed Amendments to AASB 133</i> (August 2008)
ED 167	<i>Discontinued Operations: Proposed Amendments to AASB 5</i> (October 2008)
ED 168	<i>Additional Exemptions for First-time Adopters: Proposed Amendments to AASB 1</i> (October 2008)
ED 169	<i>Improving Disclosures about Financial Instruments: proposed Amendments to AASB 7</i> (October 2008)
ED 170	<i>Relationships with the State (Proposed Amendments to AASB 124)</i> (December 2008)
ED 171	<i>Consolidated Financial Statements</i> (December 2008)
ED 172	<i>Embedded Derivatives (Proposed Amendments to AASB Interpretation 9 and AASB 139)</i> (December 2008)
ED 173	<i>Investments in Debt Instruments (Proposed Amendments to AASB 7)</i> (December 2008)
ED 174	<i>Amendments to Australian Accounting Standards to facilitate GAAP/GFS Harmonisation for Entities within the GGS</i> (January 2009)
ED 174	<i>Supplement Draft Illustrative Example of Financial Statements for Entities within the General Government Sector</i> (April 2009)
ED 175	<i>Post-implementation revisions to AASB Interpretations</i> (February 2009)
ED 176	<i>Proposed Amendments to Australian Accounting Standards — Borrowing Costs of Not-for-Profit Public Sector Entities</i> (February 2009)
ED 177	<i>Derecognition (Proposed Amendments to AASB 139 and AASB 7)</i> (April 2009)
ED 178	<i>Income Tax</i> (April 2009)
ED 179	<i>Superannuation Plans and Approved Deposit Funds</i> (May 2009)
ED 180	<i>Income from Non-exchange Transactions (Taxes and Transfers)</i> (June 2009)
ED 181	<i>Fair Value Measurement</i> (June 2009)
ED 182	<i>Prepayments of a Minimum Funding Requirement</i> (June 2009)
ED 183	<i>Management Commentary</i> (June 2009)
	<i>Draft Interpretation Australian Superannuation Contributions Tax for Defined Benefit Plans</i> (February 2009)

Invitations to comment

ITC 14A	Invitation to Comment on FRSB and AASB Working Draft <i>Process for Modifying, or Introducing Additional Requirements to, IFRSs for PBE/NFP</i> (April 2009)
ITC 18	Request for Comment on IASB Discussion Paper — <i>Preliminary Views on Revenue Recognition in Contracts with Customers</i> (December 2008)
ITC 19	Request for Comment on IASB Discussion Paper — <i>Preliminary Views on Financial Statement Presentation</i> (January 2009)
ITC 20	Request for Comment on IASB Discussion Paper DP/2009/1 <i>Leases — Preliminary Views</i> (April 2009)
ITC 21	Request for Comment on IASB Discussion Paper DP/2009/2 <i>Credit Risk in Liability Measurement</i> (June 2009)

Discussion papers

Discussion paper	<i>Initial Accounting for Internally Generated Intangible Assets</i> (December 2008)
Discussion paper	IASB Request for Information — <i>Impairment of Financial Assets — Expected Cash Flow Approach (Expected Loss Model)</i> (June 2009)
Discussion paper	<i>Initial Accounting for Internally Generated Intangible Assets</i> (December 2008)

Interpretations

15	<i>Agreements for the Construction of Real Estate</i> (August 2008)
16	<i>Hedges of a Net Investment in a Foreign Operation</i> (August 2008)
17	<i>Distribution of Non-cash Assets to Owners</i> (December 2008)
18	<i>Transfers of Assets from Customers</i> (March 2009)

PROGRESS MADE ON THE 2008-09 WORK PROGRAM

Note: For projects expected to be 'non-active' based on last year's work program — a reference is made in this program report only when the status of the project has changed or another significant event has occurred in relation to that project.

Active projects

Project	Pronouncement	Outcomes to 30 June 2009
Domestic not-for-profit and public sector projects		
GAAP/GFS harmonisation — WoG/GGS (consequences of AASB 101)	AASB 1049	The AASB considered comments on ED 163 <i>Proposed Amendments to AASB 1049 for Consistency with AASB 101</i> (issued June 2008). In September 2008, the AASB issued AASB 2008-9 <i>Amendments to AASB 1049 for Consistency with AASB 101</i> . These amendments were foreshadowed in footnote 1 of AASB 1049 (October 2007). Relevant consequential changes arising from AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i> were also incorporated in the revisions to AASB 1049.
GAAP/GFS harmonisation — entities within the GGS	AASB 1049	This project is phase two (the final phase) of the FRC broad strategic direction. The AASB issued ED 174 <i>Amendments to Australian Accounting Standards to facilitate GAAP/GFS Harmonisation for Entities within the GGS [AASB 101, 107 and 1052]</i> in January 2009. Staff subsequently issued a Supplement to ED 174 <i>Draft Illustrative Example of Financial Statements for Entities within the General Government Sector</i> in April 2009. The Board also conducted Roundtables in Melbourne and Canberra. The Board considered the outcome of its consultation in June 2009. Based on the feedback from constituents, the Board decided to ask the FRC to reconsider its direction in relation to phase two of the AASB GAAP/GFS Harmonisation project. It is expected that the FRC will consider a report from the AASB on this matter in September 2009.
Impairment of statutory receivables (gaps in GAAP no. 21)	AASB 139	AASB staff commenced research into the topic. The AASB 2009-10 work program anticipates that an issues paper will be considered by the Board in the fourth quarter of 2009.

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2009
Domestic not-for-profit and public sector projects (continued) Borrowing costs	AASB 123	<p>In December 2008, the AASB made a submission on IPSASB Exposure Draft ED 35 IPSAS 5 <i>Borrowing Costs</i> (Revised 200X).</p> <p>In February 2009, the AASB issued ED 176 <i>Proposed Amendments to Australian Accounting Standards — Borrowing Costs of Not-for-Profit Public Sector Entities</i> (AASB 1, AASB 111 & AASB 123).</p> <p>In April 2009, the AASB issued AASB 2009-1 <i>Amendments to Australian Accounting Standards — Borrowing Costs of Not-for-Profit Public Sector Entities</i>. In respect of not-for-profit public sector entities, this Standard amends AASB 123 by reintroducing the option to expense borrowing costs in the period in which they are incurred. It thereby allows, subject to the requirements in AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i>, not-for-profit public sector entity to choose whether it expenses or capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Consequential disclosures about the accounting policy adopted are also specified.</p>
Suitability of AASB 3 for combinations among NFPs	AASB 3	<p>Also, the AASB agreed to participate in the FRSB work on the relationship between depreciated replacement cost and borrowing costs, and concurrently monitor the IPSASB project on borrowing costs.</p> <p>In November 2008, the AASB issued AASB 2008-11 <i>Amendments to Australian Accounting Standards — Business Combinations Among Not-for-Profit Entities</i>. The effect of the amendments is that the requirements of AASB 3 <i>Business Combinations</i> apply to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled. The amendments also specify accounting requirements for restructures of local governments. These latter amendments were made with a view to, in the longer-term, undertaking a project on 'control in the public sector', which will include consideration of whether local governments or universities within a jurisdiction are subject to common control. This longer-term project is listed as a high priority active project in the AASB 2009-10 work program.</p>
Related Party Disclosures in the public sector	—	<p>In August 2008, AASB members considered and agreed, in principle, with a project plan. In November 2008, the AASB considered an issues paper <i>Users and Preparers of Related Party Information in the Not-for-Profit Public Sector</i> and agreed to explore further the types of related party disclosure requirements that might be developed for Australian not-for-profit public sector entities. The project is listed as a high priority active project in the AASB 2009-10 work program.</p>
Not-for-profit definition and guidance	ITC 14	<p>Following its work on this project in 2007-08, the AASB agreed to postpone further efforts until progress is made on developing (jointly with the NZ FRSB) the <i>Process for Modifying IFRSs for PBE/NFP</i>. The Process is expected to reach a stage in late 2009 that will clear the way for further possible consideration of NFP definitions and guidance.</p>

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2009
Other domestic		
Superannuation plans	AASB 25	The AASB issued ED 179 <i>Superannuation Plans and Approved Deposit Funds</i> in May 2009 which is open for comment until 30 September 2009. The AASB will be holding roundtable discussions with constituents on the proposals in ED 179 during August 2009.
Differential reporting/SMEs (including reporting entity and GPFRR/SPPFR)	SAC 1 & SAC 2 ITC 12	Following its work on this project in 20078-08, which included the release of ITC 12 outlining proposals for a revised differential reporting regime, including possible ways in which the proposed IFRS for SMEs might be applied in Australia, the AASB has been re-deliberating its proposals. With the publication of the IFRS for SMEs by the IASB in July 2009, the AASB began considering this Standard and its role in the tentative revised differential reporting regime. The AASB is expected to continue its re-deliberations throughout 2009.
Emissions trading scheme	—	Staff commenced initial research into accounting for an ETS from the perspective of the government as an issuer of permits.
Review of AASB policy statements	PS1-PS4	The AASB has withdrawn four policy statements dealing with various aspects of its standard setting process and has been developing a single updated Policy Statement to take their place. The AASB plans to discuss its draft updated Policy Statement with the FRC in September 2009.
Compilations	Amending Standards	Due to the ongoing amendment of existing standards, AASB staff prepared and published compiled versions of standards in order to facilitate their use and application. Approximately 30 compilations were published in 2008-09.
IASB — substantive involvement		
Extractive activities phase II (AASB-led research project)	AASB 6	The AASB staff continued to lead a team of National Standard Setters (Canada, Norway and South Africa) in developing draft recommendations for consideration by the IASB. These recommendations form the basis of a discussion paper which is to be issued as a 'Working Draft — for information only' in August 2009, and to be followed by a Discussion Paper, issued for comment by the IASB in early 2010.
Insurance phase II (including participation in IASB project team)	AASB 4 AASB 1023(r) AASB 1038(r)	AASB staff closely monitored the progress of the IASB, including briefings with the Australian representative to the IASB Insurance Working Group. The Board received updates on key developments on the project during the year.
Revenue recognition (including participation in IASB project team)	AASB 118 ITC	In December 2008, the IASB issued a discussion paper <i>Preliminary Views on Revenue Recognition in Contracts with Customers</i> . The AASB invited comments from Australian constituents through ITC 18, and held two Roundtables, on the IASB exposure draft. The AASB made a submission to the IASB in June 2009.

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2009
IASB — substantive involvement (continued)		
Conceptual framework — objective and qualitative characteristics	Framework ED 164	In October 2008, the AASB made a submission on IASB exposure draft on an improved conceptual framework for financial reporting: <i>The Objective of Financial Reporting and Qualitative Characteristics and Constraints of Decision-useful Financial Reporting Information</i> , on which the AASB had invited comment through ED 164 in the previous financial year.
Conceptual framework — elements and recognition	Framework	AASB staff continued to monitor the progress of the IASB.
Conceptual framework — measurement	Framework	AASB staff continued to monitor the progress of the IASB.
Conceptual framework — reporting entity	Framework	In May 2008, the IASB issued a discussion paper <i>Preliminary Views on an improved Conceptual Framework for Financial Reporting: The Reporting Entity</i> . The AASB invited comments from Australian constituents on the DP through ITC 17.
Actively monitor IFRS implementation		A Roundtable was held in Melbourne in August 2008 to promote dialogue with constituents to assist the AASB in its deliberations on 'Reporting Entity' in Australia and to assist the AASB and its constituents in developing their respective submissions to the IASB on the DP.
IPSASB convergence		Based on the feedback received from Australian constituents through comments letters and via the Roundtable, the AASB made a submission to the IASB.
Conceptual framework — public sector perspectives		AASB staff advised the relevant IASB staff of a number of implementation issues during 2008-09, with a view to having them addressed. These included issues relating to the revaluation of property, plant or equipment under construction and the presentation of discontinued operations as they might affect other comprehensive income.
Service concessions	Interpretation 12	In December 2008, the IPSASB issued a consultation paper <i>Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: The Objectives of Financial Reporting, The Scope of Financial Reporting, The Qualitative Characteristics of Information Included in General Purpose Financial Reports, and The Reporting Entity</i> . The AASB invited comments from Australian constituents on the IPSASB consultation paper. The AASB made a submission to the IPSASB in April 2009.
		AASB staff participated in meetings of the IPSASB conceptual framework project committee, and commented on drafts of consultation papers on the elements of financial statements and measurement.
		The AASB made a submission to the IPSASB in response to its 2008 Consultation Paper. AASB staff continue to monitor the IPSASB work in developing an Exposure Draft following its review of the submissions received.

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2009
IPSASB convergence (continued)		
Social benefit obligations (including sustainability)	AASB 137	The AASB finalised its submission on IPSASB Exposure Draft ED 34 <i>Social Benefits: Disclosure of Cash Transfers to Individuals or Households</i> and IPSASB Consultation Paper <i>Social Benefits: Issues in Recognition and Measurement</i> , on which the AASB had invited comments from Australian constituents in ITC 15.
Other international		
Income from non-exchange transactions with NZ (including multi-year policy grants and voluntary service)	AASB 1004 AASB 120 AASB 118	The AASB developed an Exposure Draft jointly with the New Zealand Financial Reporting Standards Board. The Exposure Draft was issued in June 2009 as AASB ED 180 / FRSB ED 118 <i>Income from Non-Exchange Transactions (Taxes and Transfers)</i> , for comment by 30 November 2009.
NFP criteria/NZ convergence	Both jurisdictions converging with IASB GAAP	AASB and FRSB staff have developed summaries of areas of difference between Australian and New Zealand GAAP for joint consideration by the Boards in 2009-10.
Conceptual framework — NFP entity perspectives (shadowing IASB/FASB project)	Part of NSS/IPASB Working Group issues paper issued	The AASB commented on not-for-profit entity implications of proposed concepts in its submission to the IASB on <i>The Objective of Financial Reporting and Qualitative Characteristics and Constraints of Decision-useful Financial Reporting Information</i> and its submission to the IPSASB on <i>Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: The Objectives of Financial Reporting, The Scope of Financial Reporting, The Qualitative Characteristics of Information Included in General Purpose Financial Reports, and The Reporting Entity</i> .
Intangible assets (DP 'initial accounting for internally generated intangible assets' for review by NSS)	AASB 138 AASB 3	The AASB staff participated with the staff of National Standard Setters from Canada, New Zealand and the United Kingdom in gathering information about the potential impact of matters being considered by the IASB in its conceptual framework project if they were to be applied to not-for-profit and public sector entities. In October 2008, staff of the AASB issued Discussion Paper <i>Initial Accounting for Internally Generated Intangible Assets</i> with the support of the National Standard Setters group. Comments on the Discussion Paper were requested by 15 May 2009. The AASB 2009-10 work program anticipates AASB staff participating in further NSS work on the topics, possibly by undertaking a post-implementation review of the initial accounting for intangible assets aspects of IFRS 3 <i>Business Combinations</i> .

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2009
Interpretations		
Employer accounting for taxes in superannuation liabilities	AASB 119	The AASB established an Interpretation Advisory Panel, which developed recommendations on the topic. AASB staff developed a draft Interpretation for consideration by the Board based on the Panel's recommendations. However, the IASB has indicated that possible changes to IAS 19 <i>Employee Benefits</i> may address the issues presented in the draft interpretation, and accordingly, the project has been deferred.
Managed investment schemes (related party disclosures)	AASB 124	The issue was referred to the IASB Chairman and was discussed at the September 2008 IASB meeting where it was decided not to consider the issue. The AASB and NZ FRSB have agreed to send a joint request to the IASB urging them to address the issue.

Non-active projects

Project	Pronouncement	Outcomes to 30 June 2009
Domestic not-for-profit and public sector		
Control of an entity (including gaps in GAAP no. 10)	AASB 127	No progress was made during the year. The AASB concluded that this issue cannot be tackled in isolation because there is a wide range of cross-cutting issues relating to reporting entity and the definition of control, and in light of the IPSASB work on a conceptual framework. The project appears in the 'active projects' section of the 2009-10 work program. The project is likely to be progressed in two parts — control of an entity, followed by control of an asset.
Review of Interpretation 1038	Interpretation 1038	The AASB decided that it would reconsider the role of and need for Interpretation 1038 once the outcome of the proposals in ED 180 <i>Income from Non-Exchange Transactions (Taxes and Transfers)</i> has been determined.
Summary financial reports and MD&A	NZ FRSB 39	In June 2009, the AASB issued ED 183 <i>Management Commentary</i> , which incorporates IASB ED/2009/6 <i>Management Commentary</i> requesting comments by 31 December 2009. The ED proposes a non-mandatory pronouncement on the topic. The AASB plans to comment to the IASB in 2009-10 after considering the views of Australian constituents.

Non-active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2009
IASB — non-substantive involvement		
Cost of an investment	ED 160	In July 2008 the AASB issued AASB 2008-7 <i>Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i> which incorporates amendments made by the IASB in May 2008.
Fair value measurement guidance	IASB DP	AASB continued to monitor the IASB's progress. The IASB published an Exposure Draft ED/2009/5 <i>Fair Value Measurement</i> in May 2009 for comment by 28 September 2009. The AASB issued ED 181 <i>Fair Value Measurement</i> , which incorporates IASB ED/2009/5, and comments are open until 28 August 2009.
Non-financial liabilities	AASB 137 ED 140	AASB staff are closely monitoring the work of the IASB, which has been delayed compared with the original plans for its completion. The outcomes of this project are likely to be a precedent for addressing issues in other projects (such as insurance contracts) and careful consideration is being given to the interrelationships with those other projects.
Consolidations	AASB 127	AASB staff continued to monitor the IASB's progress. The IASB published an Exposure Draft ED 10 <i>Consolidated Financial Statements</i> in December 2008. The AASB issued ED 171 <i>Consolidated Financial Statements</i> , which incorporates IASB ED 10. The AASB made a submission to the IASB in March 2009.
Performance reporting stage B	AASB 101	In January 2009, the AASB issued ITC 19 Request for Comment on IASB Discussion Paper <i>Preliminary Views on Financial Statement Presentation</i> , seeking comments on the IASB DP and consequently conducted three roundtables on the topic in Melbourne, Sydney and Canberra.
		After considering the responses to ITC 19, in April 2009 the AASB made a submission to the IASB. AASB staff continue to closely monitor the developments concerning the joint IASB/FASB Financial Statement Presentation project.

Non-active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2009
IASB — non-substantive involvement (continued)		
Financial Instruments — fundamental review	AASB 139 ITC (IASB DP)	AASB staff continued to monitor the IASB's progress. The AASB issued AASB 2008-10 <i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets</i> , AASB 2008-12 <i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets — Effective Date and Transition</i> , AASB 2009-2 <i>Amendments to Australian Accounting Standards — Improving Disclosures about Financial Instruments</i> and AASB 2009-3 <i>Amendments to Australian Accounting Standards — Embedded Derivatives</i> which make amendments to AASB 139 and AASB 7. These amending standards incorporate amendments made by the IASB to IAS 39 and IFRS 7, to address accounting issues that have been highlighted by the current economic situation. In addition, the IASB has commenced its project to replace IAS 39, splitting the project into three phases: Phase I — Classification and Measurement; Phase II — Impairment; and Phase III — Hedging.
Liabilities and equity	AASB 132 ITC (IASB DP)	The IASB published an Exposure Draft ED/2009/7 <i>Financial Instruments: Classification and Measurement</i> in July 2009. The AASB issued ED 184 <i>Financial Instruments: Classification and Measurement</i> , which incorporates the IASB ED/2009/7 and is open for comment until by 17 August 2009.
Leases	AASB 117	In September 2008, the AASB responded to the IASB Discussion Paper — <i>Financial Instruments with the Characteristics of Equity</i> .
Financial Instruments: Portions hedging	ED 158	The AASB issued ITC 20 <i>Request for Comment on IASB Discussion Paper DP/2009/1 Leases — Preliminary Views</i> which incorporated the IASB Discussion Paper in April 2009 and was open for comment until 12 June 2009. In July 2009, the AASB made a submission to the IASB.
Joint arrangements	AASB 131 ED 157	In August 2008, the AASB issued AASB 2008-8 <i>Amendments to Australian Accounting Standards — Eligible Hedged Items</i> that incorporates amendments made by the IASB to IAS 39 <i>Financial Instruments: Recognition and Measurement</i> regarding eligible hedged items.
Income tax	AASB 112	AASB staff continue to monitor the IASB's progress on this project. The IASB is currently deliberating issues raised in responses received to an Exposure Draft that was issued in 2007 (the AASB ED 157 was the equivalent to this IASB ED).
Post-employment benefits	AASB 119	The AASB issued ED 178 <i>Income Tax</i> , which incorporated the IASB ED, in April 2009. In July 2009, the AASB made a submission to the IASB. The AASB continued to monitor the progress of the IASB Post-employment Benefits (including pensions) project.

Non-active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2009
IASB — non-substantive involvement (continued)		
EPS: Treasury stock method	AASB 133	AASB staff continue to monitor the work of the IASB which has been allocated a low priority in view of the IASB's other commitments in its convergence program with the US FASB.
Related party disclosures	AASB 124	The AASB is seeking (jointly with the NZ FRSB) to have the IASB resolve an issue connected with the definition of key management personnel that impacts on the disclosures made by managed investment schemes.
Improvements	ED 159	The AASB issued AASB 2008-5 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> and 2008-6 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> in July 2008 and 2009-4 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> and 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> in May 2009.
Emission trading schemes	—	AASB staff continue to monitor the IASB's progress towards issuing an Exposure Draft and a subsequent standard which will address accounting for an ETS.
Common control	AASB 127	The AASB continued to monitor the IASB's progress during the year. The common control project is not being progressed until IASB staff working on projects related to the financial crisis become available.
IPSASB convergence		
Heritage assets	AASB 116 IPSASB CP	AASB staff continued to monitor the IPSASB's progress. In October 2008, the AASB made a submission to the UK Accounting Standards Board on Financial Reporting Exposure Draft (FRED) 42 <i>Heritage Assets</i> .

Management and accountability

MANAGEMENT AND ACCOUNTABILITY

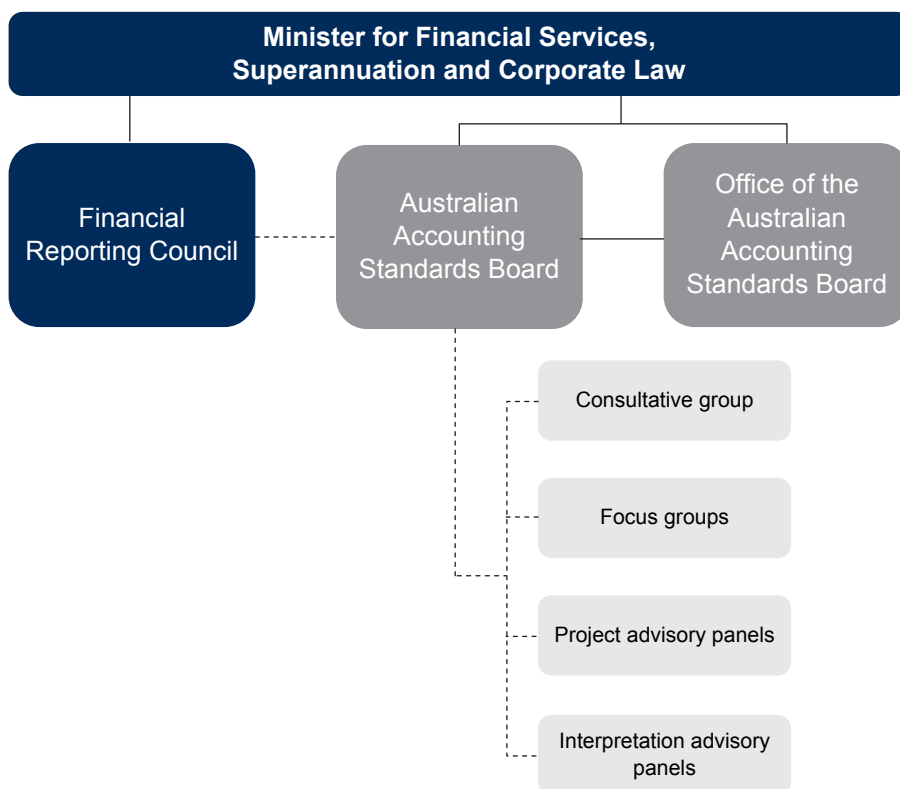
CORPORATE GOVERNANCE

The corporate governance practices of the AASB and the Office of the AASB comply with statutory and other external requirements, and aim to achieve sound administrative and financial management practice. They are designed to ensure the efficient, effective and ethical use of resources.

As part of its ongoing focus on effective governance arrangements, the AASB periodically considers a range of issues, including:

- clear accountability mechanisms;
- its leadership, culture and communication;
- appropriate governance and committee structures;
- the effectiveness of its work with its stakeholders;
- comprehensive risk management, compliance and assurance systems; and
- strategic planning, performance monitoring and evaluation.

ORGANISATIONAL STRUCTURE



The Chairman is appointed by the Minister for Financial Services, Superannuation and Corporate Law, while other Board members are appointed by the FRC.

To be eligible for appointment, a person must have knowledge of, or experience in, business, accounting, law or government. The Chairman and members hold office on the terms and conditions that are determined by the Minister and FRC respectively. Appointments may be made for a period of up to five years and retiring members are eligible for reappointment.

The members of the AASB during 2008-09 are listed below. The Board held 11 meetings for a total of 17 meeting days during the year. Attendance of members at these meetings is set out in Appendix A.

Minister for Financial Services, Superannuation and Corporate Law

The Minister for Financial Services, Superannuation and Corporate Law appoints the chairman of the AASB. The Chairman of the AASB is accountable to the Minister regarding the operations of the AASB and the Office of the AASB.

Financial Reporting Council (FRC)

Responsible to the Minister for Financial Services, Superannuation and Corporate Law, the FRC provides broad strategic direction and advice to the AASB and has oversight of the process for setting accounting standards in Australia. The FRC appoints Board members to the AASB for various terms.

The AASB will continue its practice of providing the Chairman of the FRC with all information reasonably needed by the FRC, including reports in relation to the setting of the Board's priorities, its progress against those priorities and in respect of the Board's budget and staffing arrangements. This will be primarily provided through the Board's reports prepared for FRC meetings.

AASB

The AASB is the independent statutory agency of the Australian Government, responsible for making accounting standards under section 334 of the Corporations Act. The AASB participates in, and contributes to, the development of a single set of international accounting standards for worldwide use.

The Chairman of the AASB reports to the Minister for Financial Services, Superannuation and Corporate Law regarding the organisation's operations.

Office of the AASB

The Office of the AASB provides technical and administrative services, information and advice to the AASB. Responsible to the Minister for Financial Services, Superannuation and Corporate Law for financial management of the Office of the AASB, the Chairman of the AASB is also the Chief Executive Officer of the Office of the AASB.

Membership



AASB from left to right: Bruce Porter, Mark Jenkin, Ian McPhee, Kris Peach, Angus Thomson (Technical Director), John O'Grady, Kevin Stevenson, Brett Rix, Joanna Perry, Frank Palmer, Sue Highland, Victor Clarke, Robert Williams, Robert Keys (Deputy Technical Director).

Chairman

Kevin Stevenson was appointed, by the Minister for Financial Services, Superannuation and Corporate Law, as Chairman of the AASB and CEO of the Office of the AASB, for a five-year term from 1 July 2009 to 30 June 2014.

The duties of the Chairman of the AASB are outlined in sections 235D to 235J of the *Australian Securities and Investments Commission Act 2001*.

In view of his chairmanship of the AASB, he has also been appointed to the Financial Reporting Council and to the New Zealand Financial Reporting Standards Board. He is also a member of the Trans-Tasman Accounting and Auditing Standards Advisory Group.

Previously, Mr Stevenson was senior partner of the PricewaterhouseCoopers Global Capital Markets Group from 2005 to 2009. Prior to that he served as the Director of Technical Activities and as Chairman of the IFRIC for the IASB in London from 2002 to 2005.

The members of the AASB holding office at 30 June 2009 were:

Deputy Chairman

Bruce Porter was initially appointed to the AASB from 1 January 2005 to 31 December 2007. He was appointed Deputy Chairman of the AASB on 14 February 2007.

He was re-appointed to the AASB 1 January 2008 until 31 December 2010.

He was appointed Acting Chairman from 5 November 2008 to 30 June 2009, following the retirement of Professor David Boymal in November 2008.

Mr Porter is an audit and technical partner with Deloitte Touche Tohmatsu where he leads the National Assurance and Advisory Services group responsible for establishing policy and interpretation of accounting standards and providing accounting advice to the firm and its clients.

Glenn Appleyard

Glenn Appleyard, Economic Consultant, was initially appointed to the AASB from 18 December 2002 for three years and was re-appointed from 1 January 2006 to 31 December 2008. He is currently appointed to the AASB from 1 January 2009 to 31 December 2011.

Mr Appleyard is currently a member of the Tasmanian State Grants Commission.

Victor Clarke

Victor Clarke was appointed to the AASB from 1 January 2009 to 31 December 2011. Mr Clark is currently a senior Financial Services Assurance partner at PricewaterhouseCoopers.

Sue Highland

Sue Highland was appointed to the AASB from 15 February 2007 to 31 December 2009.

Ms Highland is Director, Financial Management Branch, Queensland Treasury. She is responsible for the development and maintenance of accounting policy, financial management and legislative frameworks governing Queensland public sector entities.

Mark Jenkin

Mark Jenkin was appointed to the AASB from 1 January 2008 to 31 December 2010.

Mr Jenkin is a First Assistant Secretary, Financial Management and Reporting, Department of Defence, responsible for financial management and infrastructure.

Ian McPhee

Ian McPhee was appointed to the AASB from 1 January 2009 to 31 December 2011. Mr McPhee is the Auditor-General for Australia.

John O'Grady

John O'Grady was initially appointed to the AASB from 1 January 2006 to 31 December 2008. He was re-appointed to the AASB from 1 January 2009 to 31 December 2011.

Mr O'Grady is a Partner in Ernst & Young's Assurance and Advisory Business Services division and is national head of the firm's Technical Consulting Group involved in the quality and risk management processes for Ernst & Young's audit practice in Australia.

Frank Palmer

Frank Palmer was initially appointed to the AASB from 7 June 2005 to 6 June 2008. He was re-appointed to the AASB from 7 June 2008 to 31 December 2010.

Mr Palmer is a Division Director in Group Finance of Macquarie Group, responsible for developing accounting policies and reviewing the accounting treatment for significant transactions.

Kris Peach

Kris Peach was initially appointed to the AASB from 15 February 2005 to 14 February 2007. She was re-appointed to the AASB from 15 February 2007 to 31 December 2009.

Ms Peach, a partner in KPMG's Department of Professional Practice, has extensive experience in interpreting and analysing Australian and International Accounting Standards for complex transactions.

Joanna Perry

Joanna Perry was initially appointed to the AASB from 1 January 2005 to 31 December 2005. She was re-appointed to the AASB from 1 January to 31 December 2006, and then again from 1 January 2007 to 31 December 2009.

Ms Perry has been chairman of New Zealand's FRSB since 2004 and is a member of the Trans-Tasman Accounting and Auditing Standards Advisory Group. In August 2008 she was appointed as a member of IFRIC. Ms Perry is a professional non-executive director and chartered accountant.

Brett Rix

Brett Rix was initially appointed to the AASB from 4 July 2006 to 3 July 2009. He was re-appointed to the AASB from 4 July 2008 to 31 December 2011.

Mr Rix is Manager Group Accounting – Policy and Governance at BHP Billiton. He is responsible for the maintenance of accounting policy applied across BHP Billiton, including policy development, interpretation of accounting standards, examination of significant transactions for application of accounting policies and the provision of internal advice on policy matters.

Robert Williams

Robert Williams was appointed to the AASB from 7 June 2008 to 31 December 2010.

Mr Williams is Principal Advisor, NSW Treasury. He is responsible for providing advice to the Secretary of NSW Treasury and to all NSW Government agencies, for developing accounting policies and guidance for all NSW Government agencies, for interpreting and advising on significant accounting transactions and issues and for maintaining the financial management legislation.

Retired members

The following completed their terms as members of the AASB during the year.

Jan McCahey

Ms McCahey, Partner, PricewaterhouseCoopers Melbourne, retired from the AASB at the completion of her term on 31 December 2008.

Colin Parker

Mr Parker, Director, GAAP Consulting Services, Melbourne, retired from the AASB at the completion of his term on 14 February 2009.

Observers

The following had observer status during the year:

- Warren McGregor, IASB member;
- Peter Batten, Australian representative on the IPSASB; and
- Judith Downes, member, IASB Standards Advisory Council.

AUDIT COMMITTEE

The Chief Executive of the AASB has established an audit committee, with the functions and responsibilities required by the Finance Minister's Orders, in compliance with section 46 of the *Financial Management and Accountability Act 1997*.

During 2008-09, the Audit Committee consisted of Stuart Alford (Chair), Sue Tait and Merran Kelsall (AUASB Chairman).

During the financial year, the Audit Committee, among other matters:

- reviewed the AASB's financial statements and recommended that they be adopted; and
- reviewed a letter from the Australian National Audit Office, which stated that there were no matters arising from the 2008-09 audit that should be brought to the attention of management or the Audit Committee.

COORDINATION WITH OTHER BODIES

The Board, through the Executive maintains contact with officers of the Commonwealth Treasury, the FRC, ASIC, APRA, ABS and other relevant government and private sector bodies, both domestically and internationally, including the IASB, IPSASB, the professional accounting bodies in Australia and constituent groups such as Heads of Treasuries and the Heads of Treasuries Accounting and Reporting Advisory Committee.

FRAUD

The Office of the AASB adopted its Fraud Control Plan in July 2007. The Office of the AASB is currently reviewing its Risk Register and Fraud Policy and Plan. Currently, the Office of the AASB has adequate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet its needs and comply with the Commonwealth Fraud Control Guidelines (including the reporting aspects of those guidelines).

ETHICS

The Office of the AASB staff are required to adhere to the Australian Public Service values and code of conduct under the *Public Service Act 1999*.

Australian Public Service values include performing functions impartially and professionally, the highest ethical standards, open accountability, providing frank, honest, comprehensive, accurate and timely advice to government and promoting communication, consultation, cooperation and input from employees.

The requirements of the code of conduct include honesty, care and diligence, courtesy, compliance with the law, avoiding conflicts of interest and proper use of Commonwealth resources and information.

EXTERNAL SCRUTINY

AASB's accounting records are audited each year by the ANAO.

During the financial year, there were no judicial decisions or decisions of administrative tribunals or reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman concerning the performance of the AASB.

MANAGEMENT OF HUMAN RESOURCES

As at 30 June 2009, the Office of the AASB had 13 full-time and 2 part-time technical staff members (10 male and 5 female), based in Melbourne, including:

- 1 Chairman;
- 1 Technical Director;
- 1 Deputy Technical Director;
- 3 Senior Project Managers;
- 4 Project Managers;
- 2 Assistant Project Managers;
- 2 Graduate Interns; and
- 1 Compilations Editor.

Also, the Office of the AASB had 7 full-time staff members and 1 part-time administration assistant (2 male and 6 female), shared with the Auditing and Assurance Standards Board. All staff are based in Melbourne, including:

- a Director, Finance and Administration;

- an Assistant Accountant;
- an Accounts/ Administration Assistant;
- an Executive Assistant;
- a Receptionist/ Customer Service Officer;
- a Communications Manager;
- a Network Administrator; and
- a Web site Administrator.

Seven of the Administration staff are under a shared services agreement with the Office of the AUASB.

The Chairman is employed pursuant to a contract for services with the AASB, with his salary and other entitlements being linked to Treasury SES salary scales and other entitlements. The Chairman does not receive performance pay.

The salaries and other entitlements of the Technical and Administration employees are linked to relevant industry salary scales and entitlements. No employee received a performance bonus in the 2008-09.

The Office of the AASB has the capacity to employ staff under the *Public Service Act 1999* (PSA) as well as under the ASIC Act.

Formal appraisal meetings are held annually and regular informal feedback is encouraged to facilitate productive staff management.

Staff members attend seminars occasionally on matters related to the policy or administrative work of the AASB or Office of the AASB.

PURCHASING

The AASB's general policy is that the purchase of any major capital items follow the Commonwealth Procurement Guidelines.

Information on expenditure on contracts and consultancies is also available on the AusTender website, www.tenders.gov.au.

CONSULTANTS

During the 2008-09 financial year, the Office of the AASB did not engage any consultants as defined by the FMA Act.

AUSTRALIAN NATIONAL AUDIT OFFICE ACCESS CLAUSES

The Office of the AASB has not entered into any contract of \$100,000 or more during the reporting period that does not provide for the Auditor-General to have access to the contractor's premises.

EXEMPT CONTRACTS

The Office of the AASB has no contracts or standing offers that have been exempted from being published in AusTender on the basis that publication would disclose exempt matters under the *Freedom of Information Act 1982*.

COMMONWEALTH DISABILITY STRATEGY

The Office of the AASB employs staff with specialist skills and experience relevant to the work of the Board. The Board does not discriminate on the basis of disability and its office premises are accessible to persons with a disability.

Financial report

FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT



To the Treasurer

Scope

I have audited the accompanying financial statements of the Australian Accounting Standards Board (AASB) for the year ended 30 June 2009, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Chief Executive for the Financial Statements

The AASB's Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including Australian Accounting Standards (which include Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the AASB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AASB's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the AASB's Chief Executive, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

PO Box A456 Sydney South NSW 1235
130 Elizabeth Street
SYDNEY NSW
Phone (02) 9367 7100 Fax (02) 9367 7102

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Australian Accounting Standards Board:

- (a) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Accounting Standards Board's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



P Hinchey
Senior Director
Delegate of the Auditor-General

Sydney
27 August 2009

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

'In our opinion, the attached financial statements for the year ended 30 June 2009 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.'



Kevin Stevenson
Chief Executive Officer
27 August 2009



Litsa Pillios
Chief Financial Officer
27 August 2009

Income statement

for the period ended 30 June 2009

	Notes	2009 \$	2008 \$
INCOME			
Revenue			
Revenue from Government	3A	3,095,940	2,934,000
Sale of goods and rendering of services	3B	250,246	243,960
Interest	3C	–	268,656
Rental income	3D	45,271	43,590
Other revenue	3E	1,200,000	1,823,308
Total revenue		4,591,457	5,313,514
Gains			
Sale of assets	3F	19,000	–
Total gains			
Total income		4,610,457	5,313,514
EXPENSES			
Employee benefits		2,801,918	3,125,763
Suppliers	4A	1,051,677	1,299,818
Contribution	4B	–	200,000
Depreciation and amortisation	4C	152,071	145,354
Finance costs	4D	5,493	5,208
Total expenses	4E	4,011,159	4,776,143
Surplus		599,298	537,371

The above statement should be read in conjunction with the accompanying notes.

Balance Sheet

as at 30 June 2009

	Notes	2009 \$	2008 \$
ASSETS			
Financial assets			
Cash and cash equivalents	5A	395,549	3,691,295
Trade and other receivables	5B	4,043,174	99,943
Total financial assets		4,438,723	3,791,238
Non-Financial assets			
Infrastructure, plant and equipment	6A,C	616,602	759,974
Intangibles	6B,C	12,242	18,867
Inventories	6D	2,596	2,682
Other non-financial assets	6E	15,644	15,275
Total non-financial assets		647,084	796,798
Total assets		5,085,807	4,588,036
LIABILITIES			
Payables			
Suppliers	7A	141,696	65,452
Other payables	7B	543,287	628,563
Total payables		684,983	694,015
Provisions			
Employee provisions	8A	1,581,065	1,255,053
Other provisions	8B	106,051	100,558
Total provisions		1,687,116	1,355,611
Total liabilities		2,372,099	2,049,625
Net assets		2,713,708	2,538,410
EQUITY			
Retained surplus		2,713,708	2,538,410
Total equity		2,713,708	2,538,410
Current assets		4,456,963	3,809,194
Non-current assets		628,844	778,841
Current liabilities		1,828,477	1,433,519
Non-current liabilities		543,622	616,106

The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity
for the period ended 30 June 2009

	Retained earnings		Total equity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Opening balance				
Balance carried forward from previous period	2,538,410	2,596,039	2,538,410	2,596,039
Income and expenses				
Income and expenses recognised directly in equity				
Actuarial gains/(losses)	(424,000)	(595,000)	(424,000)	(595,000)
Surplus (deficit) for the period	599,298	537,371	599,298	537,371
Total income and expenses	175,298	(57,629)	175,298	(57,629)
Transactions with owners				
Distributions to owners				
Returns of capital:				
Other	3,688,000	–	3,688,000	–
Contributions by owners				
Appropriation (equity injection)	3,688,000	–	3,688,000	–
Sub-total transactions with owners				
Transfers between equity components				
Closing balance at 30 June 2009	2,713,708	2,538,410	2,713,708	2,538,410

The above statement should be read in conjunction with the accompanying notes.

Cash flow statement

for the period ended 30 June 2009

	Notes	2009 \$	2008 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		1,493,640	2,885,000
Goods and services		153,009	133,115
Interest		–	277,861
Net GST received		161,417	155,603
Other cash received		3,087,304	2,065,591
Total cash received		4,895,370	5,517,170
Cash used			
Employees		2,908,975	3,016,734
Suppliers		1,199,162	1,591,531
Net GST paid		90,238	98,457
Other cash used		–	200,000
Total cash used		4,198,375	4,906,722
Net cash flows from operating activities	9	696,995	610,448
Cash used			
Purchase of property, plant and equipment		2,074	92,985
Total cash used		2,074	92,985
Net cash flows (used by) investing activities		(2,074)	(92,985)
FINANCING ACTIVITIES			
Cash used			
Transfer to the Official Public Account		3,990,667	–
Total cash used		3,990,667	–
Net cash flows (used by) financing activities		(3,990,667)	–
Net (decrease) in cash held		(3,295,746)	517,463
Cash and cash equivalents at the beginning of the reporting period		3,691,295	3,173,832
Cash and cash equivalents at the end of the reporting period	5A	395,549	3,691,295

The above statement should be read in conjunction with the accompanying notes.

Schedule of commitments

as at 30 June 2009

	2009	2008
	\$	\$
BY TYPE		
Commitments receivable		
Sublease rental income ¹	381,440	420,329
GST recoverable on commitments	333,064	372,920
Total commitments receivable	714,504	793,249
Commitments payable		
Operating leases ²	3,663,700	4,102,120
Other commitments	38,144	42,033
Total commitments payable	3,701,844	4,144,153
Net commitments by type	2,987,340	3,350,904
BY MATURITY		
Commitments receivable		
One year or less	90,689	87,064
From one to five years	394,447	378,585
Over five years	229,368	327,600
Total commitments receivable	714,504	793,249
Operating lease commitments payable		
One year or less	473,968	461,833
From one to five years	2,023,441	1,974,506
Over five years	1,166,291	1,665,781
Total operating lease commitments payable	3,663,700	4,102,120
Other commitments payable		
One year or less	4,760	4,508
From one to five years	21,050	19,908
Over five years	12,334	17,617
Total other commitments payable	38,144	42,033
Net commitments by maturity	2,987,340	3,350,904

NB: Commitments are GST inclusive where relevant.

(1) Part of the leased area is sub-let and this represents the revenue from the sub-lease.

(2) Operating leases are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Lease for office accommodation	Lease payments are subject to increase of 4 per cent per annum as per lease agreement.
Lease of photocopier	The lessor provides a photocopier for 36 months at a fixed instalment rate.

The above statement should be read in conjunction with the accompanying notes.

Schedule of contingencies

as at 30 June 2009

There are no known contingencies as at 30 June 2009.

(Nil contingencies as at 30 June 2008).

The above statement should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Summary of significant accounting policies

1.1 Objectives of AASB

The Office of the AASB is an Australian Government agency. The objective of the AASB is to develop and maintain high quality financial reporting standards for all sectors of the Australian economy and contribute, through leadership and talent, to the development of global financial reporting standards and be recognised as facilitating the inclusion of the Australian community in the activity of global standard setting.

The AASB is structured to meet one outcome: the formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.

The planned output is to:

- make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the financial reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards;
- formulate accounting standards for purposes of financial reporting by Australian entities that are not subject to the reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards; and
- provide Australian participation in and contribution to, the development of a single set of accounting standards for worldwide use.

1.2 Basis of preparation of the financial statements and notes

With effect 1 July 2008, the AASB transitioned from previously being a statutory body governed under the CAC Act, to become a statutory committee under the ASIC Act supported by the Office of the AASB, which is governed by the FMA Act. The Office of the AASB provides technical and administrative support the AASB and is the financial entity from 1 July 2008.

The financial statements and notes are required by section 49 of the *FMA Act 1997* and are general purpose financial statements.

The financial statements and notes have been prepared in accordance with:

- FMOs for reporting periods ending on or after 1 July 2008; and
- Australian Accounting Standards and Interpretations issued by the AASB that apply for the reporting period.

The financial statements and notes have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets at fair value.

The financial statements and notes are presented in Australian dollars.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. Unrecognised liabilities and assets are reported in the schedule of commitments.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, income and expenses are recognised in the income statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 Changes in Australian Accounting Standards

(a) Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued by the AASB that are applicable in the current period have had a material financial effect on the Office of the AASB.

(b) Future Australian Accounting Standard requirements

New standards, amendments to standards, and interpretations that are applicable to future periods have been issued by the AASB. It is estimated that adopting these pronouncements, when effective, will have no material impact on future reporting periods.

1.5 Revenue

(a) Revenue from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Office of the AASB gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

(b) Other types of revenue

Revenues from contributions are recognised at nominal amounts when invoiced in accordance with agreed schedules of payment (annually or quarterly).

Revenue from the sale of goods is recognised when: the risks and rewards of ownership have been transferred to the buyer; the Office of the AASB retains no managerial involvement nor effective control over the goods; the revenue and transaction costs incurred can be reliably measured; and it is probable that the economic benefits associated with the transaction will flow to the Office of the AASB.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value as revenue when the asset qualifies for recognition.

1.6 Gains

(a) Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

(b) Sale of assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as owner

(a) Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in contributed equity in that year.

1.8 Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within 12 months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

(a) Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting.

The leave liabilities are calculated on the basis of employees' remuneration, including the Office of the AASB employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2009. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

(b) Superannuation

The Office of the AASB sponsors the AASB Superannuation Plan, which provides accumulation benefits to members.

For certain employees, the Office of the AASB has guaranteed minimum accumulated balances equivalent to benefits under a defined benefit plan. The present value of the defined benefit obligation of these members as at 30 June 2009 amounted to \$2,866,000 (2008: \$2,826,000) compared to the fair value of attributable assets of \$2,026,000 (2008: \$2,326,000), giving a deficiency of \$840,000 (2008: deficiency \$500,000). A provision for this deficiency has been recognised at 30 June 2009 (refer Note-8A).

In accordance with the FMOs, from the treatments available under paragraphs 93A and 93B of AASB 119 *Employee Benefits*, actuarial gains and losses are charged direct to the Statement of Changes in Equity.

Refer to Note 8A (i) for a reconciliation of the superannuation liability as at 30 June 2009.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that

is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The Office of the AASB has no finance leases.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Cash

Cash and cash equivalents include notes and coins held and any deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.11 Financial assets

The Office of the AASB's financial assets comprise 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

(a) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are measured at nominal amounts.

(b) Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost: if there is objective evidence that an impairment loss has been incurred for loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the recoverable amount. The carrying amount is reduced by way of an allowance account. The loss is recognised in the income statement.

1.12 Financial liabilities

The Office of the AASB's financial liabilities comprise 'supplier and other payables'.

Financial liabilities are recognised and derecognised upon 'trade date'.

(a) Supplier and other payables

Supplier and other payables are recognised at nominal amount. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.14 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor authority's accounts immediately prior to the restructuring.

1.15 Property, plant and equipment

(a) Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$300, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site. These costs are included in the Office of the AASB's other non-financial assets with a corresponding provision for restoration obligations recognised.

(b) Revaluations

Fair values for each class of asset are determined as shown below:

	2009	2008
Leasehold improvements	Depreciated replacement cost	Depreciated replacement cost
Plant and equipment	Depreciated replacement cost	Depreciated replacement cost

Following initial recognition at cost, property, plant and equipment are carried at fair value less accumulated depreciation. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalue amount.

(c) Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Office of the AASB using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2009	2008
Leasehold improvements	Lease term — ten years	Lease term — ten years
Plant and equipment	Three to ten years	Three to ten years

(d) Impairment

All assets were assessed for impairment at 30 June 2009. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Office of the AASB was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Intangibles

The Office of the AASB's intangible assets comprise purchased software and licences for internal use. These assets are carried at cost, less accumulated amortisation.

Software and licences are amortised on a straight line basis over their anticipated useful life. The useful life of Office of the AASB's software and licences is three to five years (2007-08: three to five years).

All software assets were assessed for indications of impairment as at 30 June 2009.

1.17 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value.

1.18 Taxation/competitive neutrality

The Office of the AASB is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.19 Insurance

The Office of the AASB has taken insurance cover considered appropriate through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia.

1.20 Foreign currency

Transactions denominated in a foreign currency are converted at the exchange rate as at 30 June 2009. Foreign currency transactions relate primarily to currency obtained for overseas travel. The amounts and any associated gains or losses are not material.

1.21 Comparative figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

Note 2: Events after the balance sheet date

As at the date of this report, the Office of the AASB has no reportable events after the balance sheet date.

Note 3: Income

	2009	2008
	\$	\$
Revenue		
Note 3A: Revenue from the Commonwealth Government		
Appropriations:		
Departmental outputs	1,493,640	–
Other	1,602,300	2,934,000
Total revenue from Government	3,095,940	2,934,000
Note 3B: Sale of goods and rendering of services		
Provision of goods — related entities	3,010	2,850
Provision of goods — external entities	69,675	85,363
Rendering of services — related entities*	177,561	155,747
Total sale of goods and rendering of services	250,246	243,960
* Recoupment of costs from AUASB		
Deposits	–	268,656
Total interest	–	268,656
Note 3D: Rental income		
Operating lease:		
Other	45,271	43,590
Total rental income	45,271	43,590
Note 3E: Other revenue		
Contributions from States and Territories	500,000	500,000
Contributions from CPA Australia	33,333	133,000
Contributions from the Institute of Chartered Accountants in Australia	33,333	133,000
Contributions from the National Institute of Accountants	33,334	84,000
Contributions from Australian Stock Exchange	100,000	100,000
Contributions from Companies Unclaimed Monies Account	500,000	819,705
Total contributions	1,200,000	1,769,705
Recoupment of salaries from secondments		53,603
Total other revenue	1,200,000	1,823,308
Gains		
Note 3F: Other gains		
Resources received free of charge in relation to audit services	19,000	–
Total other gains	19,000	–

Note 4: Expenses

	2009	2008
	\$	\$
Note 4A: Employee benefits		
Wages and salaries	2,476,936	2,721,769
Superannuation:	261,149	283,266
Leave and other entitlements	63,833	120,728
Total employee benefits	2,801,918	3,125,763
Note 4B: Suppliers		
Provision of goods — related entities	476	–
Provision of goods — external parties	93,728	148,916
Rendering of services — related entities	76,909	49,238
Rendering of services — external parties	553,353	789,870
Operating lease rentals:		
Minimum lease payments	318,141	302,993
Workers compensation premiums	9,070	8,801
Total supplier expenses	1,051,677	1,299,818
Note 4C: Contributions		
Other:		
Contribution to IASC Foundation	–	200,000
Total contributions	–	200,000
Note 4D: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	143,372	138,132
Total depreciation	143,372	138,132
Amortisation:		
Intangibles:		
Computer software	8,699	7,222
Total amortisation	8,699	7,222
Total depreciation and amortisation	152,071	145,354
Note 4E: Finance costs		
Unwinding of discount on leasehold restoration obligation (see 8B)	5,493	5,208
Total finance costs	5,493	5,208

Note 5: Financial assets

	2009	2008
	\$	\$
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit	395,549	3,691,295
Total cash and cash equivalents	395,549	3,691,295
Note 5B: Trade and other receivables		
Appropriations receivable:		
For existing outputs	3,990,667	—
Total appropriations receivable	3,990,667	—
GST receivable from the Australian Taxation Office	23,437	38,228
Other:		
Other receivables	29,070	61,715
Total other receivables	29,070	61,715
Total trade and other receivables (gross)	4,043,174	99,943
Receivables are represented by:		
Current	4,043,174	99,943
Non-current	—	—
Total trade and other receivables (gross)	4,043,174	99,943
Receivables are aged as follows:		
Not overdue	4,014,104	38,228
Overdue by less than 30 days	29,070	61,715
Total receivables (gross)	4,043,174	99,943

Note 6: Non-financial assets

	2009	2008
	\$	\$
Note 6A: Infrastructure, plant and equipment		
Infrastructure, plant and equipment:		
— gross carrying value (at fair value)	1,150,525	1,150,525
— accumulated depreciation	(533,923)	(390,551)
Total infrastructure, plant and equipment (non-current)	616,602	759,974
No indicators of impairment were found for infrastructure, plant and equipment.		
Note 6B: Intangibles		
Computer software at cost:		
Other computer software	43,535	41,461
Total computer software	43,535	41,461
Accumulated amortisation	(31,293)	(22,594)
Total intangibles (non-current)	12,242	18,867
No indicators of impairment were found for intangible assets.		

Note 6C: Analysis of property, plant and equipment

Table A — Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2008-09).

	Other infrastructure, plant and equipment \$	Computer software purchased \$
As at 1 July 2008		
Gross book value	1,150,525	41,461
Accumulated depreciation/amortisation and impairment	(390,551)	(22,594)
Net book value 1 July 2008	759,974	18,867
Additions:		
By purchase	–	2,074
Depreciation/amortisation expense	(143,372)	(8,699)
Net book value 30 June 2009	616,602	12,242
Net book value as of 30 June 2009 represented by:		
Gross book value	1,150,525	43,535
Accumulated depreciation/amortisation and impairment	(533,923)	(31,293)
	616,602	12,242

Table B — Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2007-08).

	Other infrastructure, plant and equipment \$	Computer software purchased \$
As at 1 July 2007		
Gross book value	1,078,105	20,896
Accumulated depreciation/amortisation and impairment	(252,419)	(15,372)
Net book value 1 July 2007	825,686	5,524
Additions:		
By purchase	72,420	20,565
Depreciation/amortisation expense	(138,132)	(7,222)
Net book value 30 June 2008	759,974	18,867
Net book value as of 30 June 2008 represented by:		
Gross book value	1,150,525	41,461
Accumulated depreciation/amortisation and impairment	(390,551)	(22,594)
	759,974	18,867

	2009	2008
	\$	\$
Note 6D: Inventories		
Inventories held for sale		
Finished goods	2,596	2,682
Total inventories (current)	2,596	2,682
Note 6E: Other non-financial assets		
Prepayments	15,644	15,275
Total other non-financial assets	15,644	15,275
Other non-financial assets are represented by:		
Current	15,644	15,275
Total other non-financial assets	15,644	15,275

No indicators of impairment were found for other non-financial assets.

Note 7: Payables

	2009	2008
	\$	\$
Note 7A: Suppliers		
Trade creditors	141,696	65,452
Total supplier payables	141,696	65,452
Supplier payables are represented by:		
Current	141,696	65,452
Total supplier payables	141,696	65,452
Settlement is usually made net 30 days		
Note 7B: Other payables		
Lease incentive	503,006	574,019
Other	40,281	54,544
Total other payables	543,287	628,563
Other payables are represented by:		
Current	111,294	125,557
Non-current	431,993	503,006
Total other payables	543,287	628,563

Note 8: Provisions

	2009	2008
	\$	\$
Note 8A: Employee provisions		
Annual leave	347,305	358,749
Long service leave	393,760	396,304
Superannuation [Note 8A (i)]	840,000	500,000
Total employee provisions	1,581,065	1,255,053
Employee provisions are represented by:		
Current	1,575,488	1,242,511
Non-current	5,577	12,542
Total employee provisions	1,581,065	1,255,053
Note 8A (i): Superannuation provisions		
Net superannuation liability (asset) at start of year	500,000	(106,000)
Expense recognised in income statement	115,000	96,000
Amount directly recognised in Statement of Changes in Equity	424,000	595,000
Employer contributions	(199,000)	(85,000)
Net superannuation liability (asset) at end of year	840,000	500,000
Note 8B: Other provisions		
Leasehold restoration obligations	106,051	100,558
Total other provisions	106,051	100,558
Other provisions are represented by:		
Non-current	106,051	100,558
Total other provisions	106,051	100,558
	Provision for restoration	Provision for restoration
	\$	\$
Carrying amount 1 July 2008	100,558	95,350
Unwinding of discount	5,493	5,208
Closing balance 2009	106,051	100,558

The Office of the AASB currently has one agreement for the leasing of premises, which has a provision requiring the Office of the AASB to restore the premises to their original condition at the conclusion of the lease. A provision has been made to reflect the present value of this obligation.

Note 9: Cash flow reconciliation

	2009	2008
	\$	\$
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement		
Report cash and cash equivalents as per:		
Cash flow statement	395,549	3,691,295
Balance sheet	395,549	3,691,295
Difference	-	-
Reconciliation of operating result to net cash from operating activities:		
Operating result	599,298	537,371
Other movement in retained surplus — superannuation	(424,000)	(595,000)
actuarial gains & losses	152,071	145,354
Depreciation/amortisation	(71,013)	(71,013)
Unwinding of discount	5,493	5,208
(Increase)/decrease in net receivables	47,436	(39,753)
(Increase)/decrease in inventories	86	(21)
(Increase)/decrease in prepayments	(369)	3,439
(Increase)/decrease in superannuation provision	340,000	606,000
Increase/(decrease) in other employee provisions	(13,987)	115,486
Increase/(decrease) in supplier payables	76,243	(77,338)
Increase/(decrease) in other payables	(14,263)	(19,285)
Net cash from/(used by) operating activities	696,995	610,448

Note 10: Executive remuneration

	2009	2008
The number of senior executives who received, or were due to receive, total remuneration of \$130,000 or more:		
\$160 000 to \$174,999	1	0
\$295,000 to \$309,999	0	1
\$310,000 to \$324,999	0	1
\$330,000 to \$344,999	1	0
Total	2	2
The aggregate amount of total remuneration of senior executives shown above	503,458	772,839

Note 11: Remuneration of auditors

	2009	2008
	\$	\$
Remuneration to the Australian National Audit Office (ANAO) for auditing the financial statements for the reporting period		
The fair value of the services provided	19,000	18,000
	19,000	18,000

No other services were provided by the ANAO.

Note 12: Financial instruments

	2009	2008
	\$	\$
12A Categories of financial assets		
Financial assets arising from financial instruments		
Held-to-maturity financial assets		
Cash and cash equivalents	395,549	3,691,295
Trade receivables	29,070	12,715
Total held-to-maturity financial assets	424,619	3,704,010
Other financial assets		
Contracted appropriations receivable (for existing outputs)*	3,990,667	–
Government contribution	–	49,000
GST receivable from the Australian Taxation Office	23,437	38,228
Total other financial assets	4,014,104	87,228
Carrying amount of financial assets	4,438,723	3,791,238
Financial liabilities arising from financial instruments		
At amortised cost		
Trade creditors	141,695	65,452
Total financial liabilities arising from financial instruments	141,695	65,452
Carrying amount of financial liabilities arising from financial instruments	141,695	65,452

* While appropriation is for existing outputs, it was generated as an equity injection.

12B Fair value of financial instruments**Financial assets**

The net fair values of cash and cash equivalents and trade receivables approximate their carrying amounts.

Financial liabilities

The net fair value of trade creditors approximates their carrying amounts.

12C Credit risk

The Office of the AASB's maximum exposure to credit risk, at reporting date, in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the balance sheet.

The economic entity has no significant exposures to any concentrations of credit risk.

12D Liquidity risk

The exposure to liquidity risk is based on the probability that the Office of the AASB will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to government funding and mechanisms available to the Office of the AASB and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

12E Market risk

The Office of the AASB holds basic financial instruments that do not expose it to market risks. The AASB is not exposed to material 'currency risk' or 'other price risk'.

Note 13: Appropriations

	2009	2008
	\$	\$
Balance brought forward from previous period (Appropriations Acts)		
Appropriation Act:		
Appropriation Act (No. 3) 2008-2009 as passed	268,640	-
Appropriation Act (No. 4) 2008-2009 as passed	3,688,360	-
FMA Act:		
Appropriations to take account of recoverable GST (FMA Act section 30A)	161,417	-
Relevant agency receipts (FMA Act section 31)	2,516,249	-
Appropriation transferred from the Department of the Treasury (FMA Act section 32)	1,225,000	-
Total appropriation available for payments	7,859,665	-
Cash payments made during the year (GST inclusive)	3,473,449	-
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations and as represented by:		
Cash at bank and on hand	4,386,216	-
Departmental appropriations receivable	395,549	-
Departmental appropriations receivable	3,990,667	-
Total as at 30 June 2009	4,386,216	-

Note 14: Special Accounts

Office of the Australian Accounting Standards Board Special Account

Legal authority: Minister for Finance and Deregulation. Determination under subsection 20 (1) of the *FMA Act 1997*. Special Account established 2008.

Appropriation: *FMA Act 1997*, section 21

Purpose: The purpose of this Special Account is to enable the Office of the AASB to manage moneys received primarily from the professional accounting bodies.

	2009	2008
	\$	\$
Balance carried from previous period	–	–
Appropriation for reporting period	700,000	–
Total credits	700,000	–
Payments made	700,000	–
Total debits	700,000	–
Balance carried to next period (excluding investment balances) and represented by:	–	–
Cash — transferred to the Official Public Account	–	–
Cash — held by the agency	–	–
Total balance carried to the next period	–	–

Note 15: Reporting of outcomes

The Office of the AASB has used management estimates to determine the attribution of its shared items. The basis of attribution in the below table is consistent with the basis used for the Budget.

Note 15A: Net cost of outcome delivery

	2009	2008
	\$	\$
Expenses		
Departmental	4,011,159	–
Total expenses	4,011,159	–
Costs recovered from provision of goods and services to the non-government sector:		
Departmental	250,245	–
Total costs recovered	250,245	–
Other external income		
Departmental	564,271	–
Total other external income	564,271	–
Net cost/(contribution) of outcome	3,196,643	–

Note 15B: Major classes of Departmental income and expenses by output groups and outputs

Outcome 1	Output group 1.1						Outcome 1 total		
	Output 1.1.1		Output 1.1.2		Output 1.1.3		2009	2008	
	2009	2008	2009	2008	2009	2008			
	\$	\$	\$	\$	\$	\$	\$	\$	
Departmental expenses									
Employee benefits	933,972		933,973		933,973			2,801,918	
Suppliers	350,559		350,559		350,559			1,051,677	
Depreciation and amortisation	50,691		50,690		50,690			152,071	
Finance costs	1,831		1,831		1,831			5,493	
Total departmental expenses	1,337,053		1,337,053		1,337,053			4,011,159	
Funded by:									
Departmental income									
Revenue from Government	1,031,980		1,031,980		1,031,980			3,095,940	
Sale of goods and rendering of services	83,416		83,415		83,415			250,246	
Rental income	15,090		15,091		15,090			45,271	
Other revenue	400,000		400,000		400,000			1,200,000	
Other gains	6,333		6,333		6,334			19,000	
Total departmental income	1,536,819		1,536,819		1,536,819			4,610,457	

Note 15C: Major classes of departmental assets and liabilities by outcomes

	Outcome 1	
	2009	2008
	\$	\$
Departmental assets	4,438,723	–
Financial assets	647,084	–
Total departmental assets	5,085,807	–
Departmental liabilities		
Payables	684,983	–
Provisions	1,687,116	–
Total departmental liabilities	2,372,099	–

Other mandatory information

OTHER MANDATORY INFORMATION

OCCUPATIONAL HEALTH AND SAFETY

AASB has less than 50 employees and is therefore not required to establish an Occupational Health and Safety Committee under section 34 of the *Occupational Health and Safety Act 2001*. To ensure AASB receives current OH&S guidance and direction, AASB will endeavour to have one of its staff members serve as a member of Treasury's OH&S Committee (OHSC).

The function of the OHSC is to provide the mechanism for continuing consultation between management and staff on OHS matters. All employees, and Board members, when attending meetings, are covered under Comcare and Comcover. No accidents or dangerous occurrences, or relevant investigations, took place during the 2008-09 financial year.

FREEDOM OF INFORMATION

The AASB maintains a website, www.aasb.gov.au, which describes its organisation and functions, and on which its proposed agenda decisions, exposure drafts, draft interpretations, invitations to comment, and discussion and annual reports are publicly available. Related to these are comment letters received by the AASB and AASB submissions to other standard-setters.

The website also provides contact details of AASB officers.

No matter involving freedom of information arose during the 2008-09 financial year.

Requests under the *Freedom of Information Act 1982* for access to other documents in the possession of the AASB can be directed to the AASB Secretary using the contact details below.

No applications under the *Freedom of Information Act 1982* were received by the AASB in 2008-09.

ADVERTISING AND MARKET RESEARCH

The AASB does not carry out any advertising or market research.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE REPORTING

The AASB seeks to use the minimum resources necessary to perform its functions.

DISCRETIONARY GRANTS

The AASB does not administer any discretionary grant programs.

Appendices

APPENDIX A

ATTENDANCE AT AASB MEETINGS

The AASB met 11 times during 2008-2009 for a total of 17 meeting days. Member attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
D Boymal	5	3	2
G Appleyard	17	14	3
V Clarke	8	8	–
S Highland	17	14	3
M Jenkin	17	17	–
J McCahey	9	6	3
I McPhee	8	5	3
J O'Grady	17	14	3
F Palmer	17	11	6
C Parker	10	6	4
K Peach	17	17	–
J Perry	17	14	3
B Porter	17	15	2
B Rix	17	12	5
R Williams	17	17	–

APPENDIX B

PRONOUNCEMENTS (30 JUNE 2009)

Statements of accounting concepts

Number	Title	Issued
SAC 1	<i>Definition of the reporting entity</i>	8/90
SAC 2	<i>Objective of general purpose financial reporting</i>	8/90
Framework	<i>Framework for the Preparation and Presentation of Financial Statements</i>	7/04

Accounting standards

AASB series

Number	Title	Application date (annual reporting periods)	Issue date
AASB 1	<i>First-time Adoption of Australian Equivalents to International Financial Reporting Standards</i>	(beginning) 1 January 2005	7/04
AASB 1	<i>First-time Adoption of Australian Accounting Standards (revised)</i>	(beginning) 1 July 2009	6/08
AASB 2	<i>Share-based Payment</i>	(beginning) 1 January 2005	7/04
AASB 3	<i>Business Combinations</i>	(beginning) 1 January 2005	7/04
AASB 3	<i>Business Combinations (revised)</i>	(beginning) 1 July 2009	3/08
AASB 4	<i>Insurance Contracts</i>	(beginning) 1 January 2005	7/04
AASB 5	<i>Non-current Assets held for Sale and Discontinued Operations</i>	(beginning) 1 January 2005	7/04
AASB 6	<i>Exploration for and Evaluation of Mineral Resources</i>	(beginning) 1 January 2005	12/04
AASB 7	<i>Financial Instruments: Disclosures</i>	(beginning) 1 January 2007	8/05
AASB 8	<i>Operating Segments</i>	(beginning) 1 January 2009	2/07
AASB 101	<i>Presentation of Financial Statements</i>	(beginning) 1 January 2005	7/04
AASB 101	<i>Presentation of Financial Statements</i>	(beginning) 1 January 2009	9/07

AASB series (continued)

Number	Title	Application date (annual reporting periods)	Issue date
AASB 102	<i>Inventories</i>	(beginning) 1 January 2005	7/04
AASB 107	<i>Cash Flow Statements</i>	(beginning) 1 January 2005	7/04
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	(beginning) 1 January 2005	7/04
AASB 110	<i>Events after the Balance Sheet Date</i>	(beginning) 1 January 2005	7/04
AASB 111	<i>Construction Contracts</i>	(beginning) 1 January 2005	7/04
AASB 112	<i>Income Taxes</i>	(beginning) 1 January 2005	7/04
AASB 114	<i>Segment Reporting</i>	(beginning) 1 January 2005	7/04
AASB 116	<i>Property, Plant and Equipment</i>	(beginning) 1 January 2005	7/04
AASB 117	<i>Leases</i>	(beginning) 1 January 2005	7/04
AASB 118	<i>Revenue</i>	(beginning) 1 January 2005	7/04
AASB 119	<i>Employee Benefits</i>	(beginning) 1 January 2006	12/04
AASB 120	<i>Accounting for Government Grants and Disclosure of Government Assistance</i>	(beginning) 1 January 2005	7/04
AASB 121	<i>The Effects of Changes in Foreign Exchange Rates</i>	(beginning) 1 January 2005	7/04
AASB 123	<i>Borrowing Costs</i>	(beginning) 1 January 2005	7/04
AASB 123	<i>Borrowing Costs</i>	(beginning) 1 January 2009	6/07
AASB 124	<i>Related Party Disclosures</i>	(beginning) 1 January 2005	7/04
AASB 124	<i>Related Party Disclosures</i>	(beginning) 1 January 2006	12/04
AASB 127	<i>Consolidated and Separate Financial Statements</i>	(beginning) 1 January 2005	7/04
AASB 127	<i>Consolidated and Separate Financial Statements</i>	(beginning) 1 July 2009	3/08
AASB 128	<i>Investments in Associates</i>	(beginning) 1 January 2005	7/04
AASB 129	<i>Financial Reporting in Hyperinflationary Economies</i>	(beginning) 1 January 2005	7/04
AASB 130	<i>Disclosures in the Financial Statements of Banks and Similar Financial Institutions</i>	(beginning) 1 January 2005	7/04

AASB series (continued)

Number	Title	Application date (annual reporting periods)	Issue date
AASB 131	<i>Interests in Joint Ventures</i>	(beginning) 1 January 2005	7/04
AASB 132	<i>Financial Instruments: Disclosure and Presentation</i>	(beginning) 1 January 2005	7/04
AASB 133	<i>Earnings per Share</i>	(beginning) 1 January 2005	7/04
AASB 134	<i>Interim Financial Reporting</i>	(beginning) 1 January 2005	7/04
AASB 136	<i>Impairment of Assets</i>	(beginning) 1 January 2005	7/04
AASB 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>	(beginning) 1 January 2005	7/04
AASB 138	<i>Intangible Assets</i>	(beginning) 1 January 2005	7/04
AASB 139	<i>Financial Instruments: Recognition and Measurement</i>	(beginning) 1 January 2005	7/04
AASB 140	<i>Investment Property</i>	(beginning) 1 January 2005	7/04
AASB 141	<i>Agriculture</i>	(beginning) 1 January 2005	7/04
AASB 1004	<i>Contributions</i>	(beginning) 1 July 2008	12/07
AASB 1023	<i>General Insurance Contracts</i>	(beginning) 1 January 2005	7/04
AASB 1031	<i>Materiality</i>	(beginning) 1 January 2005	7/04
AASB 1038	<i>Life Insurance Contracts</i>	(beginning) 1 January 2005	7/04
AASB 1039	<i>Concise Financial Reports</i>	(ending) 30 June 2005	5/05
AASB 1039	<i>Concise Financial Reports (revised)</i>	(beginning) 1 January 2009	8/08
AASB 1048	<i>Interpretation and Application of Standards</i>	(ending) 30 September 2008	9/08
AASB 1048	<i>Interpretation and Application of Standards</i>	(ending) 31 March 2009	3/09
AASB 1049	<i>Whole of Government and General Government Sector Financial Reporting</i>	(beginning) 1 July 2008	10/07
AASB 1050	<i>Administered Items</i>	(beginning) 1 July 2008	12/07
AASB 1051	<i>Land Under Roads</i>	(beginning) 1 July 2008	12/07
AASB 1052	<i>Disaggregated Disclosures</i>	(beginning) 1 July 2008	12/07
AASB 2004-1	<i>Amendments to Australian Accounting Standards [AASB 1, AASB 116 and AASB 138]</i>	(beginning) 1 January 2005	12/04

AASB series (continued)

Number	Title	Application date (annual reporting periods)	Issue date
AASB 2004-2	<i>Amendments to Australian Accounting Standards [AASB 1, AASB 121, AASB 131, AASB 134, AASB 139 and AASB 141]</i>	(beginning) 1 January 2005	12/04
AASB 2004-3	<i>Amendments to Australian Accounting Standards [AASB 1, AASB 101 and AASB 124]</i>	(beginning) 1 January 2006	12/04
AASB 2005-1	<i>Amendments to Australian Accounting Standard [AASB 139]</i>	(beginning) 1 January 2006	5/05
AASB 2005-2	<i>Amendments to Australian Accounting Standard [AASB 1023]</i>	(beginning) 1 January 2005	6/05
AASB 2005-3	<i>Amendments to Australian Accounting Standards [AASB 119]</i>	(ending) 31 December 2005	6/05
AASB 2005-4	<i>Amendments to Australian Accounting Standards [AASB 1, AASB 132, AASB 139, AASB 1023 and AASB 1038]</i>	(beginning) 1 January 2006	6/05
AASB 2005-5	<i>Amendments to Australian Accounting Standards [AASB 1 and AASB 139]</i>	(beginning) 1 January 2006	6/05
AASB 2005-6	<i>Amendments to Australian Accounting Standards [AASB 3]</i>	(beginning) 1 January 2006	6/05
AASB 2005-7	<i>Amendments to Australian Accounting Standards [AASB 134]</i>	(ending) 30 June 2005	6/05
AASB 2005-8	<i>Amendments to Australian Accounting Standards [AASB 1]</i>	(beginning) 1 January 2006	6/05
AASB 2005-9	<i>Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 132 and AASB 139]</i>	(beginning) 1 January 2006	9/05
AASB 2005-10	<i>Amendments to Australian Accounting Standards [AASB 1, AASB 4, AASB 1023, AASB 1038, AASB 101, AASB 114, AASB 117, AASB 132, AASB 133 and AASB 139]</i>	(beginning) 1 January 2007	9/05
AASB 2005-11	<i>Amendments to Australian Accounting Standards [AASB 101, AASB 112, AASB 132, AASB 133, AASB 139 and AASB 141]</i>	(ending) 31 December 2005	9/05
AASB 2005-12	<i>Amendments to Australian Accounting Standards [AASB 1023 and AASB 1038]</i>	(ending) 31 December 2005	12/05
AASB 2005-13	<i>Amendments to Australian Accounting Standards [AAS 25]</i>	(ending) 31 December 2005	12/05
AASB 2006-1	<i>Amendments to Australian Accounting Standards [AASB 121]</i>	(ending) 31 December 2006	1/06
AASB 2006-2	<i>Amendments to Australian Accounting Standards [AASB 1]</i>	(ending) 30 June 2006	3/06
AASB 2006-3	<i>Amendments to Australian Accounting Standards [AASB 1045]</i>	(ending) 31 December 2005	10/06
AASB 2006-4	<i>Amendments to Australian Accounting Standards [AASB 134]</i>	(ending) 31 December 2006	12/06
AASB 2007-1	<i>Amendments to Australian Accounting Standards arising from Interpretation 11 [AASB 2]</i>	(beginning) 1 March 2007	2/07

AASB series (continued)

Number	Title	Application date (annual reporting periods)	Issue date
AASB 2007-2	<i>Amendments to Australian Accounting Standards arising from Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 and AASB 139]</i>	(beginning) 1 January 2008	2/07
AASB 2007-3	<i>Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038]</i>	(beginning) 1 January 2009	2/07
AASB 2007-4	<i>Amendments to Australian Accounting Standards arising from ED 151 and other amendments [AASB 1, AASB 2, AASB 3, AASB 4, AASB 5, AASB 6, AASB 7, AASB 102, AASB 107, AASB 108, AASB 110, AASB 112, AASB 114, AASB 116, AASB 117, AASB 118, AASB 119, AASB 120, AASB 121, AASB 127, AASB 128, AASB 129, AASB 130, AASB 131, AASB 132, AASB 133, AASB 134, AASB 136, AASB 137, AASB 138, AASB 139, AASB 141, AASB 1023 and AASB 1038]</i>	(beginning) 1 July 2007	4/07
AASB 2007-5	<i>Amendments to Australian Accounting Standards — Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]</i>	(beginning) 1 July 2007	5/07
AASB 2007-6	<i>Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116, AASB 138 and Interpretations 1 and 12]</i>	(beginning) 1 January 2009	6/07
AASB 2007-7	<i>Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 and AASB 128]</i>	(beginning) 1 July 2007	6/07
AASB 2007-8	<i>Amendments to Australian Accounting Standards arising from AASB 101</i>	(beginning) 1 January 2009	9/07
AASB 2007-9	<i>Amendments to Australian Accounting Standards arising from Review of AASs 27, 29 and 31</i>	(beginning) 1 July 2008	12/07
AASB 2007-10	<i>Further Amendments to Australian Accounting Standards arising from AASB 101</i>	(beginning) 1 January 2009	12/07
AASB 2008-1	<i>Amendments to Australian Accounting Standard — Share-based Payment: Vesting Conditions and Cancellations [AASB 2]</i>	(beginning) 1 January 2009	2/08
AASB 2008-2	<i>Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 and Interpretation 2]</i>	(beginning) 1 January 2009	3/08
AASB 2008-3	<i>Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]</i>	(beginning) 1 July 2009	3/08

AASB series (continued)

Number	Title	Application date (annual reporting periods)	Issue date
AASB 2008-4	<i>Amendments to Australian Accounting Standard — Key Management Personnel Disclosures by Disclosing Entities</i>	(beginning) 1 January 2009	6/08
AASB 2008-5	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB5, AASB 7, AASB 101, AASB 102, AASB 107, AASB 108, AASB 110, AASB 116, AASB118, AASB119, AASB 120, AASB 123, AASB 127, AASB 128, AASB 129, AASB 131, AASB 132, AASB 134, AASB136, AASB 138, AASB 139, AASB 140, AASB 141, AASB 1023 & AASB 1038]</i>	(beginning) 1 January 2009	7/08
AASB 2008-6	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5]</i>	(beginning) 1 July 2009	7/08
AASB 2008-7	<i>Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]</i>	(beginning) 1 January 2009	7/08
AASB 2008-8	<i>Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139]</i>	(beginning) 1 July 2009	8/08
AASB 2008-9	<i>Amendments to AASB 1049 for Consistency with AASB 101</i>	(beginning) 1 January 2009	9/08
AASB 2008-10	<i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets [AASB 139 & AASB 7]</i>	1 July 2008	10/08
AASB 2008-11	<i>Amendments to Australian Accounting Standards — Business Combinations Among Not-for-Profit Entities [AASB 3]</i>	(beginning) 1 July 2009	11/08
AASB 2008-12	<i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets — Effective Date and Transition [AASB 7, AASB 139 & AASB 2008-10]</i>	(on or after) 1 July 2008	12/08
AASB 2008-13	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distribution of Non-cash Assets to Owners [AASB 5 & AASB 110]</i>	(beginning) 1 July 2009	12/08
AASB 2009-1	<i>Amendments to Australian Accounting Standards — Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123]</i>	(beginning) 1 January 2009	4/09
AASB 2009-2	<i>Amendments to Australian Accounting Standards — Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]</i>	(beginning) 1 January 2009	4/09
AASB 2009-3	<i>Amendments to Australian Accounting Standards — Embedded Derivatives [AASB 139 and Interpretation 9]</i>	(ending) 30 June 2009	4/09
AASB 2009-4	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements</i>	(beginning) 1 July 2009	5/09

AASB series (continued)

Number	Title	Application date (annual reporting periods)	Issue date
AASB 2009-5	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements</i>	(beginning) 1 January 2010	5/09
AASB 2009-6	<i>Amendments to Australian Accounting Standards</i>	(beginning) 1 January 2009	6/09
AASB 2009-7	<i>Amendments to Australian Accounting Standards [AASB 5, AASB 7, AASB 107, AASB 112, AASB 136 & AASB 139 and Interpretation 17]</i>	(beginning) 1 July 2009	6/09

AAS series

Number	Title	Application date (annual reporting periods)	Issue date
AAS 25	<i>Financial Reporting by Superannuation Plans</i>	(ending) 30 June 1993	3/93

Interpretations**Australian Interpretations corresponding to International Financial Reporting Interpretations Committee Interpretations**

Interpretation	Title	Application date (annual reporting periods)	Issue date
1	<i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	(beginning) 1 January 2005	7/04
2	<i>Members' Shares in Co-operative Entities and Similar Instruments</i>	(ending) 31 December 2005	3/05
4	<i>Determining whether an Arrangement contains a Lease</i>	(beginning) 1 January 2006	6/05
4	<i>Determining whether an Arrangement contains a Lease (revised)</i>	(beginning) 1 January 2008	2/07
5	<i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	(beginning) 1 January 2006	6/05
6	<i>Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment</i>	(beginning) 1 December 2005	10/05
7	<i>Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies</i>	(beginning) 1 March 2006	2/06
8	<i>Scope of AASB 2</i>	(beginning) 1 May 2006	3/06
9	<i>Reassessment of Embedded Derivatives</i>	(beginning) 1 June 2006	4/06
10	<i>Interim Financial Reporting and Impairment</i>	(beginning) 1 November 2006	9/06

Australian Interpretations corresponding to International Financial Reporting Interpretations Committee Interpretations (continued)

Interpretation	Title	Application date (annual reporting periods)	Issue date
11	<i>AASB 2 — Group and Treasury Share Transactions</i>	(beginning) 1 March 2007	2/07
12	<i>Service Concession Arrangements</i>	(beginning) 1 January 2008	2/07
13	<i>Customer Loyalty Programmes</i>	(beginning) 1 July 2008	8/08
14	<i>AASB 119 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	(beginning) 1 January 2008	8/08
15	<i>Agreements for the Construction of Real Estate</i>	(beginning) 1 January 2009	8/08
16	<i>Hedges of a Net Investment in a Foreign Operation</i>	(beginning) 1 October 2008	8/08
17	<i>Distributions of Non-cash Assets to Owners</i>	(beginning) 1 July 2009	12/08
18	<i>Transfers of Assets from Customers</i>	((beginning) 1 July 2009	3/09
107	<i>Introduction of the Euro</i>	(beginning) 1 January 2005	7/04
110	<i>Government Assistance — No Specific Relation to Operating Activities</i>	(beginning) 1 January 2005	7/04
112	<i>Consolidation — Special Purpose Entities</i>	(beginning) 1 January 2005	12/04
113	<i>Jointly Controlled Entities — Non-Monetary Contributions by Venturers</i>	(beginning) 1 January 2005	7/04
115	<i>Operating Leases — Incentives</i>	(beginning) 1 January 2005	7/04
121	<i>Income Taxes — Recovery of Revalued Non-Depreciable Assets</i>	(beginning) 1 January 2005	7/04
125	<i>Income Taxes — Changes in the Tax Status of an Entity or its Shareholders</i>	(beginning) 1 January 2005	7/04
127	<i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>	(beginning) 1 January 2005	7/04
129	<i>Service Concession Arrangements: Disclosures (revised)</i>	(beginning) 1 January 2008	2/07
131	<i>Revenue — Barter Transactions Involving Advertising Services</i>	(beginning) 1 January 2005	7/04
132	<i>Intangible Assets — Web Site Costs</i>	(beginning) 1 January 2005	7/04

Other Australian Interpretations

Interpretation	Title	Application date (annual reporting periods)	Issue date
1001	<i>Consolidated Financial Reports in relation to Pre-Date-of-Transition Dual Listed Company Arrangements</i>	(ending) 31 December 2005	7/05
1002	<i>Post-Date-of-Transition Stapling Arrangements</i>	(ending) 31 December 2005	12/05
1003	<i>Australian Petroleum Rent Resource Tax</i>		11/07
1013	<i>Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements</i>	(ending) 31 December 2005	4/05
1017	<i>Developer and Customer Contributions for Connection to a Price-Regulated Network</i>	(beginning) 1 January 2005	11/04
1019	<i>The Superannuation Contributions Surcharge</i>	(beginning) 1 January 2005	9/04
1030	<i>Depreciation of Long-Lived Physical Assets: Condition-Based Depreciation and Related Methods</i>	(beginning) 1 January 2005	9/04
1031	<i>Accounting for the Goods and Services Tax (GST)</i>	(beginning) 1 January 2005	7/04
1038	<i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i>	(beginning) 1 January 2005	9/04
1038	<i>Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised)</i>	(beginning) 1 July 2008	12/07
1039	<i>Substantive Enactment of Major Tax Bills in Australia</i>	(beginning) 1 January 2005	7/04
1042	<i>Subscriber Acquisition Costs in the Telecommunications Industry</i>	(beginning) 1 January 2005	12/04
1047	<i>Professional Indemnity Claims Liabilities in Medical Defence Organisations</i>	(beginning) 1 January 2005	11/04
1052	<i>Tax Consolidation Accounting</i>	(ending) 31 December 2005	6/05
1055	<i>Accounting for Road Earthworks</i>	(beginning) 1 January 2005	9/04

2009-10 AASB WORK PROGRAM

This work program has been prepared by the AASB staff and includes:

Table 1: Active projects on the AASB agenda;

Table 2: Non-active AASB projects (subject to resources);

Table 3: Agenda decisions to be made; and


Table 4: Other staff activities.

The documents and actions noted are not a complete reflection of the matters the AASB will consider regarding each project. The timing and outcomes shown in the following tables are estimates that are subject to change.

The AASB will be involved with all the IASB and IPSASB projects in various capacities – only those of particular relevance to the AASB are included in Table 1, Active projects.

Projects may move from having substantive AASB involvement to having non-substantive involvement and vice versa depending on developments within those projects.

Project priorities

H	high
	highlights high priority topics for which resources are not available
M	medium
L	low

Glossary of abbreviations

Std	standard
ED	exposure draft
ITC	invitation to comment
CP	consultation paper
DP	discussion paper
PS	policy statement
IP	issues paper
(r)	revised
NA	not available (for example, because completion date is not disclosed by IASB or IPSASB)
AOSSG	Asian Oceanian Standards Setters Group
FASB	Financial Accounting Standards Board (USA)
FRC	Financial Reporting Council (Australia)
FRSB	Financial Reporting Standards Board (NZ)
IASB	International Accounting Standards Board
IPSASB	International Public Sector Accounting Standards Board
NSS	National Standard Setters
WSS	World Standard Setters
SAC	Standards Advisory Council
Subc	subcommittee
WG	working group
#	A best estimate of the completion date of a standard or a revised standard, unless otherwise indicated

Table 1: Active projects

Project	Priority	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date #
1 GAAP/GFS harmonisation — entities within the GGS	H	AASBs 101 & 107 ED 174 Project plan	Progress report to FRC				Pending review of project plan
2 Borrowing costs	H	AASBs 123 & 2009-1	Participate in NZ FRSB work & Monitor IPSASB			Decide on longer term approach	NA
3 Emissions trading scheme (Government perspective)	H	Monitor IASB (see item 11 in Table 2)	Liaison with constituents				Pending outcome of consultation
4 Control in the public sector (incl gaps in GAAP no. 10; and amendments to AASB 3 for restructures of local governments)	H	AASB 127 AASBs 3 & 2008-11				DP	NA
5 Related party disclosures	H		IP		ED		Oct 2010
6 Impairment of statutory receivables (gaps in GAAP no. 21; and see item 17 below)	M	AASBs 136 & 139 IPSASB EDs 37-39		IP			NA
7 Currency (notes and coins) on issue	M	AASB 139 IPSASB EDs 37-39 AAS 25 ED 179		IP			NA
8 Superannuation plans	H			Collation of comments		Std(r)	May 2010
9 Differential reporting/IFRS for SMEs (incl Reporting Entity & GPF/SPFR)	H	SAC 1 & SAC 2 ITC 12 Project plan	Progress report to FRC				Pending review of project plan
10 Compilations	H	Amending Stds					Ongoing

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date #
11 Review of AASB Policy Statements	M	PS1-PS4 Draft AASB Policies and Processes	PS(r)				To be amended on an ongoing basis as required
12 Derecognition	H	AASBs 7 & 139 ED 177	Comment on IASB ED			Std(r)	H1 2010
13 Consolidation	H	AASB 127 ED 171		Std(r)			
14 Credit risk in liability measurement	H	AASB comments on IASB ED AASB 139 ITC 21 (IASB staff paper)	Comment on IASB staff paper				NA
15 Fair value measurement guidance	H	IASB DP IASB ED		IASB Roundtables		Std	H1 2010
16 Financial instruments (IAS 39 replacement phase 1) — classification and measurement	H	AASB 139 ED 184	Comment on IASB ED	Std			
17 Financial instruments (IAS 39 replacement phase 2) — impairment	H	AASB 139 IASB Request for Information	Comment on Request for Information	ED		Std	H1 2010
18 Financial instruments (IAS 39 replacement phase 3) — hedging	H	AASB 139		ED		Std	H2 2010

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date #
19 Revenue recognition (incl participation in IASB Project Team)	L	AASB 118 ITC 18 (IASB DP) AASB comments on IASB DP				ED (H1 2010)	Std 2011
20 Leases	L	AASB 117 ITC 20 (IASB DP) AASB comments on IASB DP				ED (H1 2010)	Std 2011
21 Income taxes	H	AASB 112 ED 178 AASB comments on IASB ED	Comment on IASB ED			Std	H2 2010
22 Financial statement presentation	L	AASB 101 ITC 19 (IASB DP) AASB comments on IASB DP				ED (H1 2010)	Std 2011
23 Insurance contracts (incl participation in IASB Project Team)	H	AASB 4 AASB 1023(r) AASB 1038(r) ITC 13 (IASB DP)		ED			Std 2011
24 Extractive activities (AASB-led research project)	M	AASB 6	Progress report		ITC (IASB DP)	Liaison with constituents	NA
25 Conceptual framework — objective and qualitative characteristics	M	Framework ITC 10 (IASB DP) ED	Final chapter AASB consider NFP implications				

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date #
26 Conceptual framework — elements and recognition	M	Framework				ITC (IASB DP) (H2 2010)	NA
27 Conceptual framework — measurement	M	Framework		ITC (IASB DP)		ED (H2 2010)	NA
28 Conceptual framework — reporting entity	M	Framework ITC 17 (IASB DP)	ED			Final chapter AASB consider NFP implications	H2 2010
29 Actively monitor IFRS implementation	H	Relevant standards					
30 Conceptual framework — public sector perspectives (incl social benefits as part of the elements aspect)	H	Part of IPSASB Subc Member of NSS-4 monitoring group IPSASB CP (Phase 1) AASB comments on IPSASB CP				Staff continue to comment on draft IPSASB CPs (Phases 2-4)	NA
31 Service concessions	H	Interp 12 Support to Aust rep on IPSASB Subc ITC 16 (including IPSASB CP) Response to IPSASB CP	Monitor IPSASB	ED	Comment on IPSASB ED		NA

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date #
32 Long-term sustainability	H	AASB 137 ITC 15 (including IPSASB ED on disclosure & CP) Response to IPSASB		Comment on IPSASB CP re long-term sustainability			NA
33 Income from non-exchange transactions with NZ (incl multi-year policy grants & voluntary services)	H	AASBs 1004, 120 & 118 ED 180			Collation of comments	Std	NA
34 NFP criteria/NZ convergence (incl NFP definition and guidance)	M	Both jurisdictions converging with IASB GAAP ITC 14 Roundtables Draft Process for Modifying IFRSs for NFPs		Process for Modifying IFRSs for NFPs; IPs (not-for-profit paragraphs)			June 2010 — to be amended on an ongoing basis as required
35 Conceptual framework — NFP entity perspectives (shadowing IASB/FASB project — see items 26-29 & 31 above)	M	Part of NSS-4/ IPSASB WG IP issued					NA

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date #
36 Intangible assets (DP 'initial accounting for internally generated intangible assets' for review by NSS)	L	AASBs 138 & 3 NSS project team AASB staff DP AASB comment to NSS on DP		Participate in NSS work for example post-implementation on review of intangible asset aspects of IFRS 3			NA
37 Employer accounting for Australian superannuation contributions tax in respect of defined benefit liabilities/assets	H	AASB 119 Panel meetings Draft Interpretation	Monitor IASB project on Pensions			Std(r)	
38 Managed investment schemes (related party disclosures)	H	AASB 124 Referred to IASB Report to Treasury		Liaise with FRSB			

Table 2: Non-active projects (subject to resources)

Project	Priority	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date
1 Administered items	H	AASB 1050				DP	
2 Performance indicators [public sector] (incl gaps in GAAP no. 2 non-financial performance indicators, and consider NZ approach to Statement of Service Performance and IPSASB's future proposals on reporting of service performance information)	H					IP	
3 Disaggregated information	M	AASB 1052				IP	
4 Budget reporting beyond GGS and WoG (gaps in GAAP no. 26)	M	AASB 1049				IP and ED	
5 Measurement of contributions by owners	L					IP	
6 Review of Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities	L	Interpretation 1038				Interpretation (r)	
7 Compliance with parliamentary appropriations and other externally-imposed requirements	L	AASB 1004				ED	

Table 2: Non-active projects (subject to resources) (continued)

Project	Priority	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date
8	L	NZ FRSB 39				IP	
9	L	Various Stds IP				Consult key constituents; IPs on selected topics	
10	L	Various Interpretations				IP	
11	L			ED		Std	
12	L	AASB 132 IASB DP		ED			
13	L	AASB 131	Std (r)				
14	L	ED 157 AASB 1039 para 24 IAB ED					Completed Guidance
15	L	AASB 119 IASB DP	ED				
16	L	Framework	IASB ED			Std	
17	L	ED 165	ED			Amending Std ED	
18	L	AASB 5		Std			
19	L	AASB 133 ED 166 Submission to IASB					Std(r)

Table 2: Non-active projects (subject to resources) (continued)

Project	Priority	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date
20 First-time adoption of IFRSs; additional exemptions	L	AASB 1	Std(r)				
21 Amendments to IFRIC 14	L	Interpretation 14 ED		Std			
22 Liabilities (IAS 37 amendments)	L	AASBs 119 & 137 ED 140		Std(r)			
23 Related party disclosures	L	AASB 124 EDs 162 & 170	AASB 124(r)				
24 Share-based payment: group cash-settled transactions	L	AASB 2 IFRIC 11	Std(r)				
25 Heritage assets	L	AASB 116 IPSASB CP	Monitor IPSASB			IP	
26 Agriculture (IPSASB convergence with IAS 41)	L	AASB 141 IPSASB ED 36 Staff comments on IPSASB ED					
27 Financial instruments (IPSASB convergence with IFRS 7, IAS 32 & IAS 39)		AASBs 7, 132 & 139 IPSASB EDs 37-39	Comment on IPSASB EDs				
28 Intangible assets (IPSASB convergence with IAS 38)	L	AASB 138 IPSASB ED 40	Comment on IPSASB ED				
29 Entity combinations from exchange transactions (IPSASB convergence with IFRS 3)	M	AASB 3 IPSASB ED 41	Comment on IPSASB ED				

Table 3: Agenda decisions to be made

Project	Priority yet to be determined	Status	Q3 2009	Q4 2009	Q1 2010	Q2 2010 plus	Estimated completion date
1	Presentation and disclosures by private sector not-for-profit entities (including charities) Note link to item 2 in Table 2. The project proposal will include consideration of whether the project should focus on presentation and disclosure issues given that recognition and measurement issues will be addressed in other projects)	AASB Standards Senate Standing Committee on Economics <i>Disclosure regimes for charities and not-for-profit organisations</i> (Dec 2008) Draft Project Proposal	Make agenda decision				
2	Consolidation of for-profit entities into NFP groups	Staff article (Dec 2008)					
3	Identifying cash generating units	AASB 136					
4	Intangible assets established by governments (for example spectrum rights. Also, note link to item 27 in Table 2 re IPSASB work to convergence with IAS 38)	AASB 138 IPSASB ED 40		Finalise comments on IPSASB ED 40			Consider IPSASB equivalent to IAS 38
5	Current cost accounting for infrastructure assets	AASB 116					
6	Complexity of financial instruments disclosures	AASB 139					
7	GAAP/GFS interim reporting	AASB 134					
8	Disclosures relating to dividend imputation credits	AASB 101					
9	Prospective information (ex post & ex ante reporting, including prospectuses under Corp Act)						
10	Disclosures framework						