



Memorandum

Subject:	Research Update	Meeting:	AASB meeting 151
Contact(s):	Angus Thomson Eric Lee athomson@aasb.gov.au elee@aasb.gov.au (03) 9617 7618	Agenda item:	12
		Date:	4 April 2016
		Project status:	Report to Board

Objective of this paper

- 1 Report to Board on significant Research Centre and related activities since the February 2016 meeting and note the updated work program – please see attached agenda paper 12.1 or go to the [website version](#).

Academic Advisory Panel

- 2 The Panel met on 1 April. The matters raised include the following.
 - (a) Staff outlined recent research developments. Panel members agreed that Conceptual Framework issues and opportunities should be considered in formulating the AASB's presentation at the 2016 the Accounting and Finance Association of Australia and New Zealand (AFAANZ) meeting. A number of Panel members noted that there seems to have been some recent coalescing of views among private sector NFP stakeholders on issues about which entities should prepare general purpose financial statements (GPFS) and what tiers of GPFS reporting standards should be available;
 - (b) The Panel discussed the structure and possible research topics of the 2016 AASB Academic Research Forum to be held in November (see below);
 - (c) Panel members noted that not all information about research grants is publicly available. They agreed to advise AASB staff on information about any research grants they become aware of;
 - (d) At the December 2015 meeting, the Panel asked staff to explore issues around the AASB's possible role in education. The Panel agreed that if the AASB were to consider whether it should produce and/or deliver education materials, there would need to be a comprehensive cost and benefits analysis. The Panel also suggested:
 - (i) the possibilities of collaborating with academics, creating a series of Podcasts for education purposes. Each Podcast could be 10 to 15 minutes long, covering topics related to the objectives of the AASB and the process of standards setting; and
 - (ii) including information about publicly available IFRS educational material from other sources, such as the IFRS education initiative, on the AASB website.

3. The Panel will next meet on 3rd July 2016 at the AFAANZ conference at the Gold Coast.

Academic Research Forum

4. The 2016 AASB Research Forum, a one-day event, will be held in Sydney on 24th November 2016. University of Technology Sydney (UTS) has agreed to host the forum.
5. The objectives of the research forum are to:
 - (a) bring together academics, standard setters, practitioners and other stakeholders for a discussion of financial reporting research relevant to standard setting;
 - (b) provide a forum that highlights and discusses current financial reporting issues and evaluates the evidence on these issues for policy makers;
 - (c) encourage high-quality research relevant to domestic and international standard-setting; and
 - (d) identify and explore opportunities for academic collaboration with the AASB.
6. The Forum will have:
 - (a) an introductory speech from a special guest (likely to be Sue Lloyd, IASB member);
 - (b) four panel discussions on different topics;
 - (c) Q&A sessions; and
 - (d) a session for the AASB project managers to talk about their projects briefly and outline research needed that could be useful for their projects.
7. The Panel agreed on a broad theme for the Forum of connecting academic work to practice and standard setting and identified four broad areas that would form the basis for the four planned sessions:
 - (a) regulatory framework, possibly including work on a review Tier 2 (RDR) reporting;
 - (b) public sector and NFP performance reporting;
 - (c) measurement, including fair valuing;
 - (d) terms of likelihood.

Presentations on AASB Research Agenda in Universities

8. In February 2016, the Chair wrote a letter to Heads of Departments to encourage them to support academic staff in collaborating with the AASB. As a result, staff have been discussing research opportunities with a number of academics.
9. During April to June 2016, AASB staff have scheduled presentations to outline the AASB's research agenda and opportunities for collaboration at Universities in (Melbourne, Sydney, Canberra, Adelaide, Brisbane and Perth). The schedule has been advertised in the AFAANZ March 2016 newsletter¹.

¹ See http://www.afaanz.org/images/stories/pdfs/newsletters/Newsletter_March_16.pdf

IFRS Review

10. As noted previously, staff have commenced arranging outreach on the impact of IFRS adoption in Australia, including through G100, FINSIA and universities in five states. Most of the outreach is planned for late April, May and June.

Joint Research with KASB on ‘terms of likelihood’

11. As noted previously, the AASB and KASB are working jointly on a project examining the manner in which Australian and Korean preparers and auditors of financial statements interpret particular terms in IFRS, such as ‘probably’ and ‘virtually certain’.
12. The report on the results of the research (in more final form) will be presented at the International Forum of Accounting Standard Setters (IFASS) meeting in April 2016. We expect to publish a final report by the June 2016.

Australian Financial Reporting Framework

13. Agenda item 11 is a verbal report on the survey question responses from public sector entities (about possible reporting criteria) and an update relating to companies.

Updated work program

14. The main changes to the work program compared with the version provided to the Board for the February 2016 meeting are:
 - (a) Australian Financial Reporting Framework:
 - (i) item 1 (entities that should prepare GPFS) – changed references to the Consultation Paper relating to corporate entities;
 - (ii) item 2 (information on entities within a group) – changed priority from ‘M’ to ‘L’; and
 - (b) Other domestic research:
 - (i) item 2 (carbon tax/ETS/abatement scheme – government perspective) – changed priority from ‘M’ to ‘L’ and moved Essay to H1 2017;
 - (ii) item 4 (joint control) – added project.
15. The changes made to priority are based on staff views in response to Board comments in February about there being a preponderance of projects identified as having a high or medium priority.