

# **Australian Accounting Standards Board**

Annual Report 2009-10

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# LETTER OF TRANSMITTAL

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4 October 2010

The Honourable Wayne Swan, MP  
Deputy Prime Minister and Treasurer  
Parliament House  
Canberra ACT 2600

Dear Deputy Prime 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 2010.

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).

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

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



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## ABBREVIATIONS

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The following abbreviations are used throughout this report:

AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ANAO	Australian National Audit Office
AOSSG	Asian-Oceanian Standard-Setters Group
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
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
FASB	Financial Accounting Standards Board – USA
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
GFC	Global financial crisis

## **ABBREVIATIONS (CONTINUED)**

GFS	Government finance statistics
GGG	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
RIS	Regulation Impact Statement
SAC	Standards Advisory Council (of the IASB)
SPFR	Special purpose financial report
TTAASAG	Trans-Tasman Accounting and Auditing Standards Advisory Group

## **CONTACT DETAILS**

Chairman  
Australian Accounting Standards Board

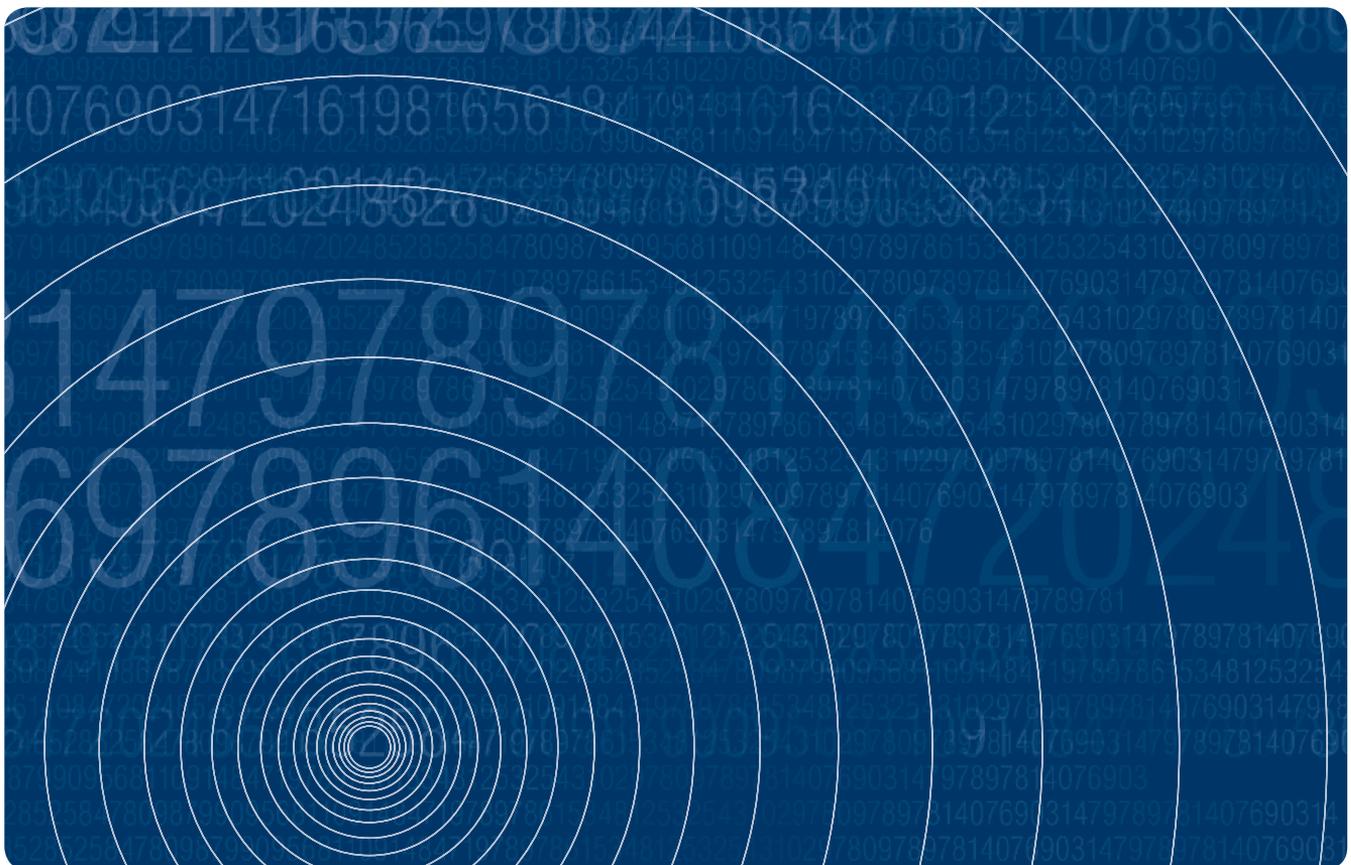
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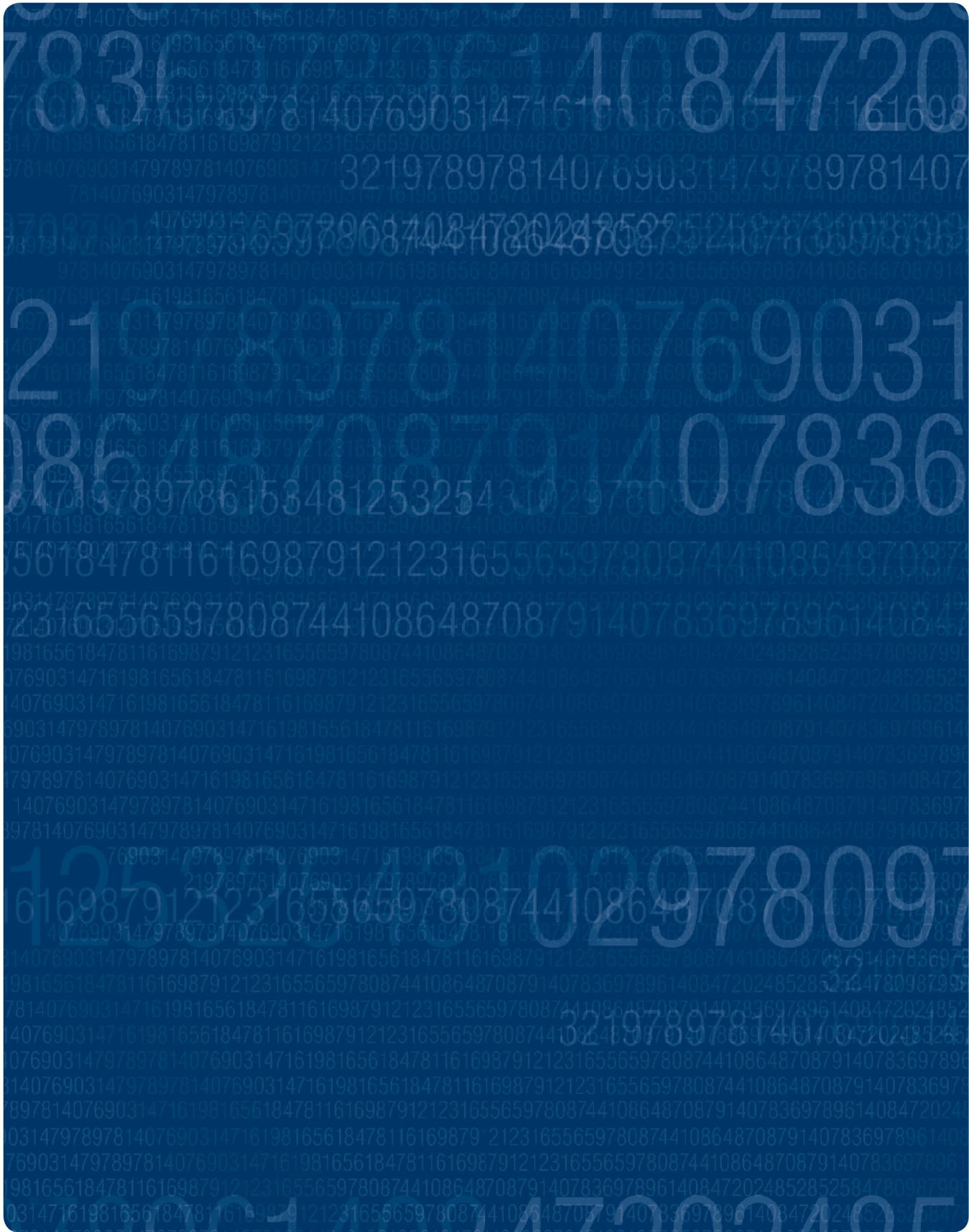
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# Chairman's review





# CHAIRMAN'S REVIEW

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## INTRODUCTION



This was a very productive year for the AASB both in terms of outputs and in re-focussing the agenda for the future.

During the year, the AASB issued 15 new and amending standards, 18 exposure drafts and discussion papers, and made 22 formal submissions to the IASB and IPSASB. Members and staff of the AASB held four public roundtable discussions and presented to outside groups on more than 50 occasions.

The AASB agenda has been re-focussed on:

- keeping pace with the IASB as it has dealt with financial reporting issues highlighted during the global financial crisis (GFC) and high priority IFRS/US GAAP convergence projects
- rejuvenating the public-sector work program
- improving private-sector not-for-profit reporting
- establishing requirements for differential reporting, in both the private and public sectors
- closely monitoring the development of conceptual frameworks by the IASB, FASB and IPSASB
- harmonising Australian and New Zealand reporting requirements
- revising selected Australian originated standards
- increasing the AASB's influence internationally
- ensuring the AASB's resources are both adequate and sustainable and that its processes are open and accessible.

Comments on key developments and highlights are set out below.

## FINANCIAL INSTRUMENTS AND CONVERGENCE

From the perspective of the AASB, the year began with the prospect that existing financial instruments standards would be almost completely overhauled before June 2011 and that many other related projects would pass through important stages or be completed by that time. There has been considerable criticism of the role that financial reporting of fair value may have played in the GFC and of the adequacy of requirements for recognising the impairment of financial assets.

Replacement of the financial instruments standard, and addressing topics such as de-recognition, leasing, the valuation of liabilities and consolidation, in a convergence setting, was a risky and ambitious strategy for the IASB and FASB. It had the potential to re-open many controversial issues from the past and to threaten the progress made towards achieving global standards. Given Australia's use of IFRS, this relayed risk to Australia and to the AASB's work program.

The IASB chose to address the financial instruments project in three stages: classification and measurement, impairment and hedging. By 30 June 2010, it had issued IFRS 9 on classification and measurement of financial assets, an exposure draft on amortised cost and impairment, and an exposure draft on the fair value option for financial liabilities, and had commenced discussions about how hedge accounting might be streamlined.

The AASB kept pace with these developments, issuing AASB 9 on classification and measurement of financial assets in December 2009, and preparing and lodging submissions on the exposure drafts, both for that stage and the impairment stage, by their respective due dates. Roundtable discussions with Australian constituents and input received from the Board's advisory panel on financial instruments assisted the AASB to decide the views presented in those submissions. Work was well under way by year end on a submission regarding the fair value options for financial liabilities exposure draft.

The AASB has been tracking other IASB GFC-related projects (e.g. consolidations and leasing) so as to be able to handle the IASB exposure drafts to be released in the new financial year.

While the AASB was supportive of the IASB's conclusions in IFRS 9 on classification and measurement of financial assets, it did not favour the proposed use of the expected loss model for the impairment of financial assets. The preference was to develop the incurred-loss model, including an incurred-but-not-reported approach, similar to that used by Australian banks and insurance companies.

## REJUVENATING THE PUBLIC-SECTOR WORK PROGRAM

There has been a particular concern in the public sector that the adoption of IFRSs in Australia, together with the pressures building in the IASB and FASB agendas over the next two years, would divert attention from the development of public-sector reporting. This tension has been replicated at the IPSASB, which has been establishing standards equivalent to IFRSs for public-sector, not-for-profit entities (leaving private-sector not-for-profit entities to follow IFRSs).

The AASB has worked on many standards projects this year that have public-sector ramifications, for example, the differential reporting standards and revisions to the financial instruments standards. The design of the differential standards was significantly influenced by public-sector issues, which the AASB believes had not been addressed by the IASB in its equivalent SME project. In considering the proposals in IASB EDs, the AASB received input from public-sector constituents to include in its submissions to the IASB.

At the conceptual level, the AASB is participating in the IPSASB Framework Panel. As the IPSASB believes that the IASB/FASB Framework does not adequately deal with the public sector, it has set out to develop its own conceptual framework. There is the possibility of divergent views internationally and dilemmas for Australia about which way to proceed if two Frameworks emerge and they cannot be rationalised.

The AASB assists in briefing the Australian and New Zealand representatives, respectively Tim Youngberry and Ken Warren, for each IPSASB meeting and provides a senior project manager, Clark Anstis, as a technical advisor for those meetings and related working-group meetings.

## PRIVATE-SECTOR NOT-FOR-PROFIT REPORTING

Most of the projects undertaken by the Board have implications for the not-for-profit private sector, given the Board's policy on transaction neutrality. From a recognition and measurement perspective, of particular note is the Board's work, together with the NZ FRSB, on income from non-exchange transactions. The Board is in the process of reviewing comments on Exposure Draft ED 180 *Income from Non-exchange Transactions (Taxes and Transfers)*, which was issued June 2009.

The work on differential reporting project completed in June 2010 offers particular benefits to the not-for-profit private sector. The AASB expects most entities in this sector to be able to use Tier 2 reduced disclosure reporting.

Additionally, the AASB, jointly with NZ FRSB, is undertaking a major project that is focussing, in Phase 1, on disclosures not currently required of private-sector not-for-profit entities that would be useful for users. Initially, consideration is being given to service performance reporting issues. A significant amount of research has been undertaken to date, and the objective now is to consider whether principles around

service performance can be developed and the role the Board should play in specifying such principles.

Phase 2 of the disclosure project will consider whether any other aspects of the current disclosure requirements are too burdensome for preparers or not appropriately oriented to the needs of users.

A possible Phase 3 of the disclosure project might consider the presentation of financial statements by private-sector not-for-profit entities, having regard to the IASB's project on financial statement presentation.

## **ESTABLISHING REQUIREMENTS FOR DIFFERENTIAL REPORTING, IN THE PRIVATE AND PUBLIC SECTORS**

On 30 June, 2010, the AASB approved AASB 1053 *Application of Tiers of Australian Accounting Standards*, which will significantly reduce the disclosure burden and reduce the costs of preparing and auditing financial reports for most entities that currently apply full IFRSs as adopted in Australia. These entities, now called Tier 2 entities, include non-publicly accountable entities, such as large proprietary companies in the for-profit private sector, not-for-profit private-sector entities and the majority of public-sector entities.

Also approved on 30 June was the complementary Standard to AASB 1053, AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. The Standard determines the specific disclosures in Australian Accounting Standards from which Tier 2 entities are exempt.

For-profit private-sector entities that have public accountability, now called Tier 1 entities, for example, those listed on the ASX and governments, will not be affected by this change. They will continue to prepare general-purpose financial reports in accordance with full IFRS as adopted in Australia.

The reduction of disclosure requirements under AASB 2010-2 represents a substantive de-regulation of financial reporting in Australia and will benefit the great majority of reporting entities. The AASB sees further room for rationalisation of disclosures, even for Tier 1 reporting entities, and will be working towards encouraging the IASB and IPSASB to achieve this.

The differential reporting framework will be operative for annual reporting periods beginning on or after 1 July 2013. Early adoption is possible for entities with annual reporting periods beginning on or after 1 July 2009.

The AASB decided not to modify the application of the reporting entity concept at this time. However, it is conducting further research into the nature of non-reporting entities and the accounting policies adopted by them for special purpose financial reports (SPFR) to see whether those reports serve a purpose that justifies their regulation.

## CONCEPTUAL FRAMEWORKS

Work is progressing on the IASB/FASB Conceptual Framework project, which aims to replace their respective conceptual frameworks with an updated common framework. The AASB has been monitoring that project and the IPSASB's high priority project to produce its own conceptual framework tuned to its constituents needs. The potential for two competing frameworks, a private-sector framework and a public-sector framework, is of concern to the AASB and it is encouraging coordination of the two projects.

The AASB issued ED 193 *Conceptual Framework for Financial Reporting: The Reporting Entity* (incorporating the IASB Exposure Draft of the same title) March 2010, and has tentatively decided the content of its submission to be made to the IASB in July 2010.

The AASB has monitored the developments in the IASB/FASB project, in respect of phases on objective, qualitative characteristics, reporting entity and measurement, and decided that the forthcoming IASB Framework chapters on the objective and qualitative characteristics should be applicable to not-for-profit entities, with brief guidance added for those entities.

We participated in a meeting of the Conceptual Framework sub-committee of the IPSASB in March 2010. The sub-committee discussed draft consultation papers on the elements of financial statements and measurement. We are now participating in a panel that has replaced the sub-committee.

## HARMONISING AUSTRALIAN AND NEW ZEALAND REPORTING REQUIREMENTS

The AASB and the FRSB continue to work closely together on individual projects and in the context of their relationships with the IASB, IPSASB, the IFRS Interpretations Committee, the Asian-Oceania Standard-Setters Group (AOSSG) and with the other National Standard Setters. The Chairs of the AASB and FRSB are members of both Boards. The Boards meet jointly at least twice per annum and the services of the two staffs are increasingly being shared.

The Boards have committed themselves to reducing the differences between the requirements of the two countries and are cognisant of the Joint Statement of Intent, signed in August 2009 by the Prime Ministers of the two countries to achieve common outcomes for preparers of financial reports and auditors in both countries. The two Chairs also participate in the Trans-Tasman Accounting and Auditing Standards Advisory Group (TTAASAG), which brings together governmental and other stakeholders to achieve harmonisation of requirements and structures between the two countries.

An exposure draft was being prepared at year end aiming to reduce the differences between Australian and New Zealand for-profit reporting.

## **ACHIEVING INCREASED INFLUENCE INTERNATIONALLY**

The AASB has further strengthened its relationships with the IASB, IPSASB and with domestic standards setters including, in particular, the FRSB in NZ. Internationally, the AASB is known to be a regular and thoughtful commentator and has demonstrated its capacity to keep pace with rapid developments in IFRS and to ensure that Australian requirements are not lagging.

For some time the AASB and other domestic standards setters have been concerned about the potential for outside interference in accounting standards in the northern hemisphere. That concern has been exacerbated during the GFC. The AASB has responded by trying to make comments that are both conceptually sound and well informed as to practice. Increasingly, however, the AASB has found it hard to shift IASB and FASB opinions on issues that have been the subject of hard-fought compromises internationally and enormous pressure in Europe and America.

The AASB sees regionalisation of standard-setting efforts as being both inevitable and highly desirable, in terms of generating a common approach to preparer, auditor and market governance among our trading partners. Thus the formation in November 2009 of the Asian-Oceanian Standard-Setters Group (AOSSG) was timely. More than 24 standard setters are already active members of the AOSSG, which represents nearly four billion people; giving the AOSSG the potential to tip the scales back towards views from parties outside Europe and America.

Australia and New Zealand are represented on nearly all of the AOSSG working parties and Australia is the lead country on the critical financial instruments matters.

Australia has had the honour of leading the working group preparing the first two AOSSG submissions, which were on financial instruments, to the IASB.

## **AASB RESOURCES AND PROCESSES**

The AASB is putting plans in place to try to ensure that its current staffing structure is sustainable, that its processes are adapted to provide more direct contact with advisory panels and constituents, on a topical basis, that its research is more evidence-based and that its information is easily accessible, especially via its web site and other media. The Board has recently extended its video conferencing facilities and is already using them for joint meetings with the NZ FRSB and its staff, with members of AOSSG working parties and for interaction with the IASB. It is also investigating the use of those facilities to provide constituents with remote access to public meetings.

## **CHALLENGING TIMES AHEAD**

The focal points for the AASB agenda listed in the beginning of this report are enduring ones. The next year will see each of them further pursued. Keeping a balance

between them will not be easy as we will see an avalanche of IFRS exposure drafts and standards arrive before June 2011, the IPSASB conceptual framework enter into ticklish matters such as measurement and our own domestic public-sector and private-sector projects reaching critical stages. Indeed it is very likely that the next two years will be quite challenging.

## **ACKNOWLEDGEMENTS**

I would like to express my sincere thanks to the AASB members and to its technical staff (led very capably by Angus Thomson and Robert Keys), who have worked hard during this year to achieve all the outputs highlighted in this report. They have contributed substantially in terms of their knowledge and time, demonstrating their commitment to the public interest and the profession.

I am particularly indebted to Bruce Porter, AASB Deputy Chairman, both for his "minding of the shop" before I started on 1 July 2009 and for his wise advice throughout the year. His unseen work, in conjunction with Litsa Pillios and the administrative staff, in readying the AASB for its transition to financial management agency status, provided me with the opportunity to focus on the Board's strategy and agenda.

I also wish to thank Ian McPhee, AASB Deputy Chairman, for his eminent counsel and support during the year. Ian's wisdom and understanding of public-sector issues and processes has provided me with valuable guidance.

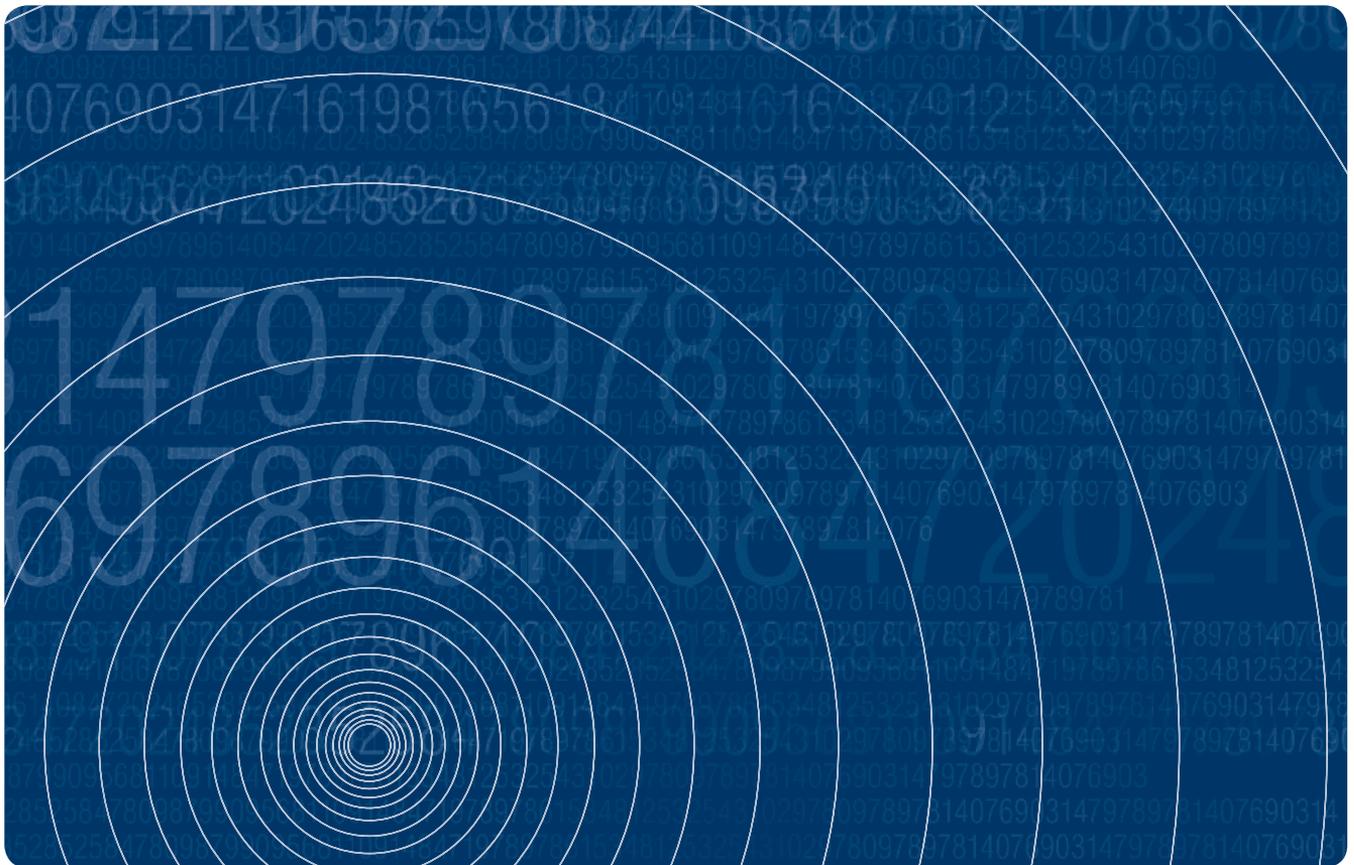
Finally, I would like to thank all of the constituents who have helped during the year; whether directly responding to specific queries from staff, participating in advisory panels, making submissions, taking part in roundtable discussions, assisting in educational presentations or serving as members of the Financial Reporting Council. We have often asked for assistance and have never been refused. My thanks also extend to those who have given us the opportunity to present information about our work at their events throughout the year.

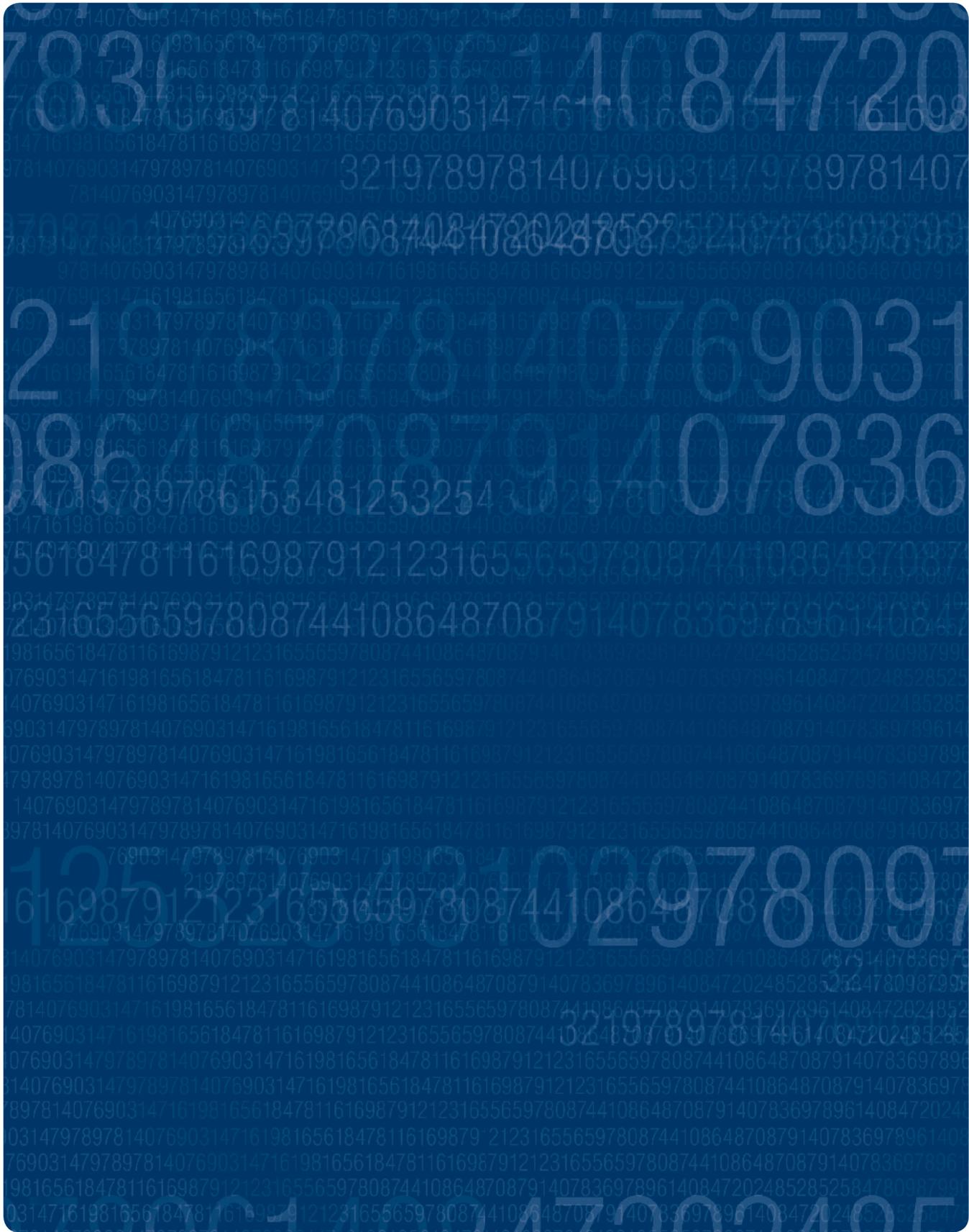
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Kevin Michael Stevenson  
Chairman  
4 October 2010



# AASB overview





## AASB OVERVIEW

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The AASB is an Australian Government Agency under the *Australian Securities and Investments Commission Act 2001* (ASIC Act).

The AASB is required to advance and promote 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) to 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 worldwide 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

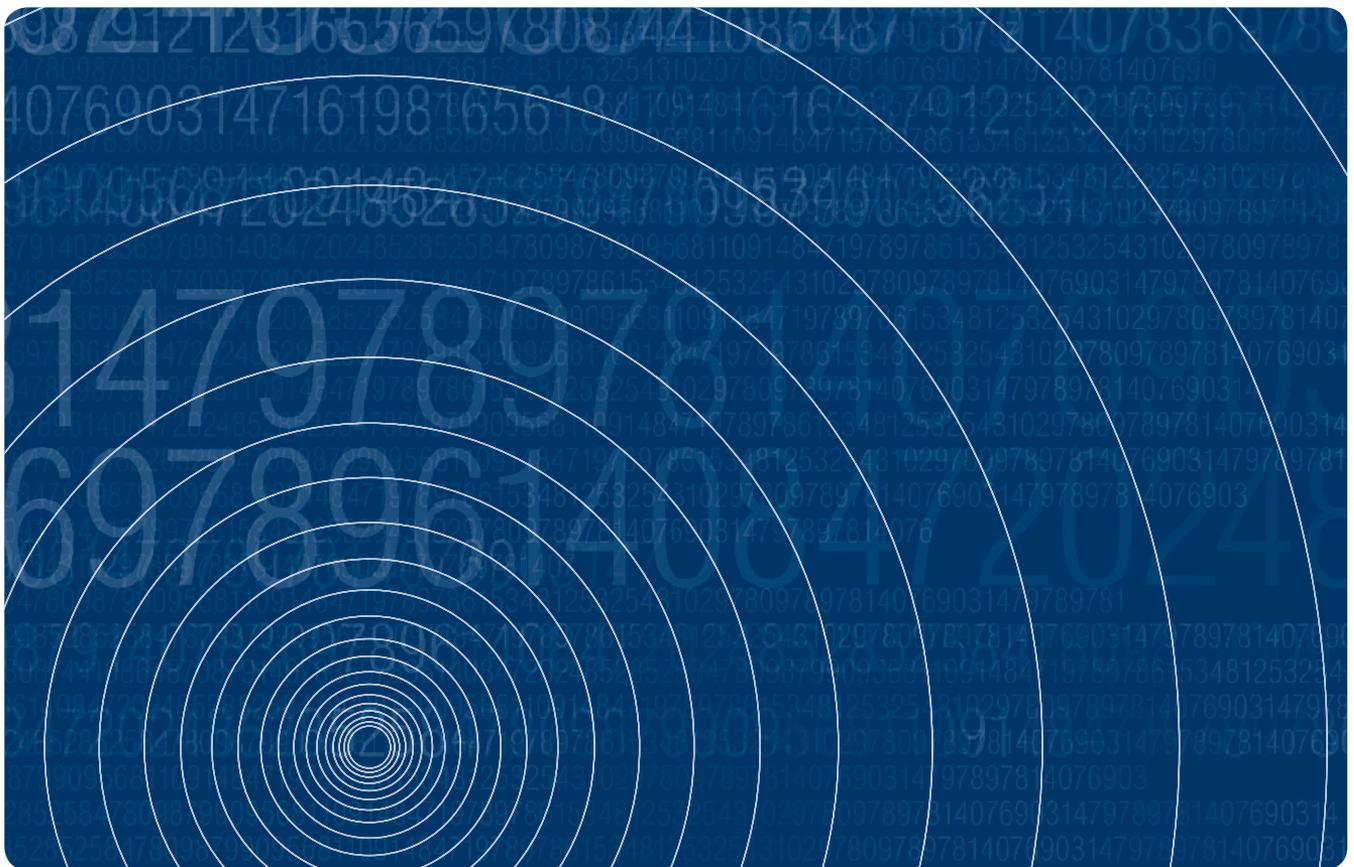
**Outcome 1:** The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.

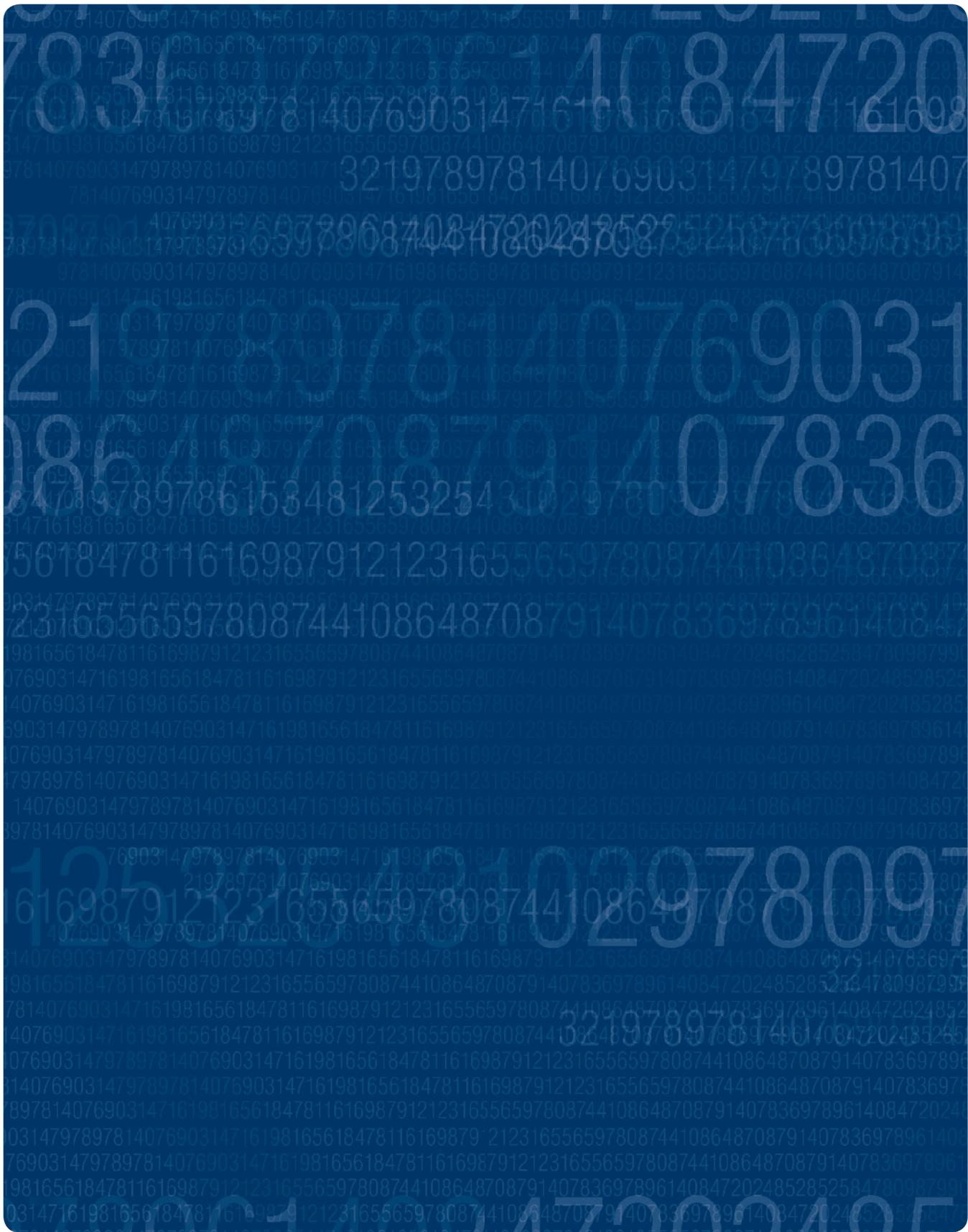
The key strategies to achieve Outcome 1 are:

- to make accounting standards under section 334 of the *Corporations Act 2001* for the purpose of the financial reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards;
- 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; and
- 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

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## INTRODUCTION

This section lists the outputs of the Board during 2009-10, as well as the progress made on the 2009-10 work program.

In addition to the outputs listed, during the year the Board made available a range of Compiled Standards that incorporate the amendments made by Amending Standards to Principal Standards.

Many of the outputs can be attributed to the IASB's ongoing response to the global financial crisis. Most of the revised Standards were issued to maintain conformity with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). Similarly, most of the Exposure Drafts issued incorporated IASB proposals. During the year, the Board made submissions to proposals of both the IASB and the International Public Sector Accounting Standards Board (IPSASB). The AASB had regard to not-for-profit and public sector issues in the process of developing the new and revised Standards.

The most substantive domestic output during the year was the introduction of two tiers of general purpose financial reporting requirements, and in particular the introduction of Tier 2 Australian Accounting Standards – Reduced Disclosure Requirements.

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
<b>Ordinary annual services</b>			
Departmental			
Prior year departmental appropriation	4,386,216	-	4,386,216
Departmental appropriation	3,091,000	3,045,089	45,911
Section 31 Relevant agency receipts	1,492,074	1,240,000	252,074
<b>Total ordinary annual services</b>	<b>8,969,290</b>	<b>4,285,403</b>	<b>4,684,201</b>
Departmental non-operating			
Equity injection	-	-	-
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Accounts			
Opening balance	-	-	-
Appropriation receipts	666,000	666,000	-
<b>Total special accounts</b>	<b>666,000</b>	<b>666,000</b>	<b>--</b>
<b>Total resourcing and payments</b>	<b>9,635,290</b>	<b>4,951,089</b>	<b>4,684,201</b>

## Agency summary resource table by outcomes

Office of the AASB: Resources for outcomes 2009-10

	Budget	Actual expenses	Variation
<b>Outcome 1:</b>			
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			
<b>Output Group 1.1:</b>			
AASB			
<b>Departmental expenses</b>			
Ordinary annual services (Appropriation Bill No. 1)	3,091,000	3,091,000	-
Revenues from independent sources (section 31)	1,241,000	1,239,271	729
Special Accounts	666,000	666,000	-
Expenses not requiring appropriation	21,000	21,000	-
Less revenue to be carried forward	639,000	795,781	(156,781)
<b>Total for Outcome 1</b>	<b>4,379,000</b>	<b>4,221,490</b>	<b>(157,510)</b>

## OUTPUTS

During 2009-2010, the Board issued or reissued the following standards and other documents:

<b>Standards</b>	
AASB 9	<i>Financial Instruments</i> (revised) (December 2009)
AASB 124	<i>Related Party Disclosures</i> (revised) (December 2009)
AASB 1048	<i>Interpretation of Standards</i> (revised) (June 2010)
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i> (June 2010)
AASB 2009-8	<i>Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions</i> (July 2009)
AASB 2009-9	<i>Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters</i> (September 2009)
AASB 2009-10	<i>Amendments to Australian Accounting Standards – Classification of Rights Issues</i> (October 2009)
AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009)
AASB 2009-12	<i>Amendments to Australian Accounting Standards</i> (December 2009)
AASB 2009-13	<i>Amendments to Australian Accounting Standards arising from Interpretation 19</i> (December 2009)
AASB 2009-14	<i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement</i> (December 2009)
AASB 2010-1	<i>Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters</i> (February 2010)
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i> (June 2010)
AASB 2010-3	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> (June 2010)
AASB 2010-4	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> (June 2010)
<b>Consultation papers</b>	
Consultation Paper	<i>Differential Financial Reporting – Reducing Disclosure Requirements</i> (February 2010)
<b>Interpretations</b>	
19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> (December 2009)
<b>Exposure drafts</b>	
ED 184	<i>Financial Instruments: Classification and Measurement</i> (July 2009)
ED 185	<i>Rate-regulated Activities</i> (July 2009)
ED 186	<i>Classification of Rights Issues (proposed amendment to AASB 132)</i> (August 2009)
ED 187	<i>Discount Rate for Employee Benefits (proposed amendments to AASB 119)</i> (August 2009)
ED 188	<i>Improvements to IFRSs</i> (September 2009)
ED 189	<i>Financial Instruments: Amortised Cost and Impairment</i> (November 2009)
ED 190	<i>Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters (proposed amendment to AASB 1)</i> (November 2009)
ED 191	<i>Measurement of Liabilities in AASB 137 (Limited re-exposure of proposed amendment to AASB 137)</i> (January 2010)
ED 192	<i>Revised Differential Reporting Framework</i> (February 2010)

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**Exposure drafts (continued)**

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ED 193	<i>Conceptual Framework for Financial Reporting: The Reporting Entity</i> (March 2010)
ED 194	<i>Request for Comment on IPSASB Exposure Draft Service Concession Arrangements: Grantor</i> (April 2010)
ED 195	<i>Defined Benefit Plans (proposed amendments to AASB 119)</i> (May 2010)
ED 196	<i>Fair Value Option for Financial Liabilities</i> (May 2010)
ED 197	<i>Presentation of Items of Other Comprehensive Income (proposed amendments to AASB 101)</i> (June 2010)

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**Invitations to comment**

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ITC 22	<i>Request for Comment on IPSASB Consultation Paper Reporting on the Long-Term Sustainability of Public Finances</i> (February 2010)
ITC 23	<i>Request for Comment on IASB Discussion Paper DP/2010/1 Extractive Activities</i> (April 2010)

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## PROGRESS MADE ON THE 2009-10 WORK PROGRAM

In this progress report, the Project column contains the project descriptions included in the original 2009-10 work program. The Pronouncement column refers to relevant AASB pronouncements at the beginning of 2009-10. For projects expected to be 'non active' based on the 2009-10 work program – a reference is made in this progress 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 2010
<u>Domestic not-for-profit and public sector projects</u>		
1. GAAP/GFS harmonisation — entities within the GGS	—	This project is phase two (the final phase) of the FRC direction. Following its review of comments on ED 174 <i>Amendments to Australian Accounting Standards to facilitate GAAP/GFS Harmonisation for Entities within the GGS [AASB 101, 107 and 1052]</i> the AASB decided that new proposals should be developed, with the aim of substantively improving the financial reporting of, including comparability between, entities within the GGS, having regard to cost/benefit considerations and the Board's other projects. As of 30 June 2010, the AASB's new (draft) proposals are to incorporate recognition and measurement aspects of GAAP/GFS harmonisation into the GAAP primary financial statements, and to incorporate those aspects and other aspects of GAAP/GFS harmonisation (in particular presentation and classification) into a note to the financial statements.
2. Borrowing costs	AASB 123	The AASB continues to monitor the FRSB's work on the relationship between depreciated replacement cost and borrowing costs, and concurrently the IPSASB's project on borrowing costs.
3. Emissions trading scheme (Government perspective)	—	Staff commenced initial research into accounting for an emissions trading scheme from the perspective of the government as an issuer of permits.

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2010
4. Control in the public sector (including gaps in GAAP no. 10; and amendments to AASB 3 for restructures of local governments)	AASB 127 AASB 3	<p>The AASB and the FRSB agreed in principle a joint project plan on 'Defining the Reporting Entity in the Public Sector (including consideration of the concept of control)'. The plan anticipates:</p> <ul style="list-style-type: none"> <li>(a) Phase 1: determine the extent of the issues and current practice</li> <li>(b) Phase 2: the definition of control</li> </ul> <p>Given the relationship of the project to the conceptual framework, the plan contemplates the project being progressed with significant direct involvement from the Boards, supplemented by a joint subcommittee assisting staff. Furthermore, the plan contemplates the possibility of the project considering issues, where relevant, from a private sector not-for-profit perspective.</p> <p>Staff have commenced undertaking preliminary research work in relation to Phase 1.</p> <p>As a result of a revised AASB 124 <i>Related Party Disclosures</i> issued in December 2009, the Board considered a new project plan and agreed to use the revised AASB 124, with only essential modifications, as a vehicle for its work.</p> <p>In the April 2010 AASB meeting, the Board considered an issues paper and tentatively agreed to adopt the FRSB's approach of exempting certain Ministers, as a solution to the issue of entities disclosing related party transactions with Ministers. The Board will in due course consider a paper dealing with:</p> <ul style="list-style-type: none"> <li>(a) how the FRSB's approach would apply in the Australian context;</li> <li>(b) preliminary drafting for a proposed FRSB-equivalent exemption for Ministers;</li> <li>(c) a summary of FRSB's agenda papers on the formulation of the exemption for Ministers; and</li> <li>(d) the application of the 'key management personnel' disclosure requirements in AASB 124 to the public sector.</li> </ul>
5. Related party disclosures in the public sector	—	
6. Impairment of statutory receivables (gaps in GAAP no. 21; and see item 17 below)	AASB 136	<p>The AASB considered an issues paper, consulted with key constituents and considered correspondence from those constituents. It arrived at the view that AASB 136 <i>Impairment of Assets</i> (rather than AASB 139 <i>Financial Instruments: Recognition and Measurement</i>) applies to the impairment of statutory receivables. It decided that neither an Aus paragraph nor a Board Agenda Decision explicitly addressing the issue was warranted. The Board also considered whether to initiate a project on the broader topic of whether disclosures compatible with AASB 7 <i>Financial Instruments: Disclosures</i> should be required. The Board decided not to initiate such a project, and instead decided to monitor and participate in any work that the IPSASB might undertake in relation to statutory receivables.</p>
7. Currency (notes and coins) on issue	AASB 139	<p>The AASB had a preliminary discussion of issues outlined in a staff paper with a view to deciding whether to undertake further work on the topic and the key issues to be resolved. The Board decided that the project should proceed as a low priority. Staff have started liaising with the Reserve Bank of Australia with a view to getting a deeper understanding of the issues. However, the project has been moved to the Non-active Projects list for 2010-11 to reflect its low priority relative to other projects.</p>

## Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2010
<u>Other domestic</u>		
8. Superannuation plans	AAS 25	The AASB issued ED 179 Superannuation Plans and Approved Deposit Funds in May 2009, for comment by 30 September 2009. As a part of its due process on the proposals in ED 179, the AASB held roundtable discussions with constituents in Sydney and Melbourne in August 2009, and as at 30 June 2010, is in the final stages of reviewing comments on the ED.  The AASB is expected to complete its redeliberations on the proposals in ED 179 and re-expose selected issues for comment by December 2010.
9. Differential reporting/IFRS for SMEs (including reporting entity and GPF/SPFR)	SAC 1 & SAC 2	The AASB continued its redeliberation of ITC 12 <i>Request for Comment on a Proposed Revised Differential Reporting Regime for Australia and IASB Exposure Draft of A Proposed IFRS for Small and Medium-sized Entities</i> in the light of comments received. This led to the issuance of a Consultation Paper <i>Differential Financial Reporting – Reducing Disclosure Requirements (A Proposed Reduced Disclosure Regime for Non-publicly Accountable For-profit Private Sector Entities and Certain Entities in the Not-for-profit Private Sector and Public Sector)</i> and an Exposure Draft ED 192 <i>Revised Differential Reporting Framework</i> , setting out the AASB's revised proposals in February 2010.  The AASB began redeliberation of constituents' comments on the latter documents in April 2010, which led to publication of two Standards, AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> and AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i> .
10. Compilations	Amending Standards	The publication of AASB 1053 and AASB 2010-2 concludes the first stage of revising the Australian Differential Reporting Framework, that is the introduction of a second tier of reporting requirements for preparing general purpose financial statements (GPFs). The second stage will deal with other proposals in ED 192 and the accompanying Consultation Paper, that is:  (a) the change of application focus of Standards from 'reporting entity' to GPFs; and (b) clarification of the meaning of GPFs in an Australian context.  The deliberations on the second stage are pending the results of research work into the nature of special purpose financial statements commissioned by the AASB.  Due to the ongoing amendment of existing standards and Interpretations, AASB staff prepared and published compiled versions of standards and Interpretations in order to facilitate their use and application by constituents. Approximately 180 compilations were published in 2009-10.

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2010
11. 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 Policies and Processes Statement to take their place. It is expected that a revised Statement will be available for consideration by the Board and FRC in Q4 2010.
<u>IASB — substantive involvement</u>		
12. Derecognition	AASBs 7 & 139	The AASB continued to monitor the IASB's progress, and made a submission to the IASB in July 2009 relating to IASB ED/2009/3 <i>Derecognition</i> . That ED had previously been incorporated into AASB ED 177, which was issued in April 2009. AASB staff continue to monitor the progress of the IASB project.
13. Consolidation	AASB 127	AASB staff continued to monitor the IASB's progress. In addition, since March 2010, the AASB has been considering the issue of whether the 'consolidation relief' in paragraph 10 of AASB 127 <i>Consolidated and Separate Financial Statements</i> should be extended to intermediate parents whose parent entity applies the Reduced Disclosure Requirements (RDR) and/or where one of the entities is for-profit and the other is not-for-profit.
14. Credit risk in liability measurement	AASB 139	The AASB made a submission to the IASB in August 2009 relating to IASB DP/2009/2 <i>Credit Risk in Liability Measurement</i> . That ED had previously been incorporated into AASB ITC 21, which was issued in June 2009. This project has since been combined into Phase 1 of the replacement of IAS 39 project (see item 16 below). ED 196 <i>Fair Value Option for Financial Liabilities</i> , referred to in item 16 below, was issued as a consequence of the comments the IASB received on IASB DP/2009/2.
15. Fair value measurement guidance	—	The AASB continued monitoring the IASB's progress. In September 2009, after considering responses to ED 181 <i>Fair Value Measurement</i> (which incorporated the IASB ED), the AASB made a submission to the IASB. On 29 June 2010 the IASB published for public comment further enhancements to a disclosure proposal on Level 3 fair value measurements that formed part of the IASB's ED.

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2010
16. Financial instruments (IAS 39 replacement phase 1) — classification and measurement	AASB 139	<p data-bbox="221 856 342 1174"><b>Replacement of IAS 39 project</b> AASB staff continued to monitor the IASB's progress on the replacement of IAS 39 <i>Financial Instruments: Recognition and Measurement</i> project. The AASB also participated in the Asian-Oceanian Standard-Setters Group (AOSSG) and continues to lead its Financial Instruments Working Group.</p> <p data-bbox="342 856 517 1174"><b>Phase 1 – Classification and measurement</b> The AASB made a submission to the IASB in September 2009 relating to IASB ED/2009/7. That ED was incorporated into AASB ED 184 <i>Financial Instruments: Classification and Measurement</i>, which was issued in July 2009. As a result of the comments received on ED/2009/7, the IASB issued a new financial instruments standard, IFRS 9 <i>Financial Instruments</i>, to simplify the existing classification and measurement requirements for financial assets.</p> <p data-bbox="517 856 651 1174">Accordingly, the AASB issued AASB 9 <i>Financial Instruments</i> and AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> in December 2009, which apply mandatorily to annual reporting periods beginning on or after 1 January 2013 and are available for early adoption for annual reporting periods ending on or after 31 December 2009. The AASB also participated in an AOSSG presentation in November 2009 summarising the outcomes of the ED.</p> <p data-bbox="651 856 829 1174">In addition, the AASB invited comments on ED 196 <i>Fair Value Option for Financial Liabilities</i>, which incorporates IASB ED/2010/4. This ED was issued as a result of comments received in response to IASB ED/2009/7 and IASB DP/2009/2 (see item 14 above), and proposes limited changes to the classification and measurement of financial liabilities. The AASB also communicated directly with its Financial Instruments Project Advisory Panel, comprising representatives of financial institutions and non-financial entities, soliciting comments on the ED. The AASB made two submissions to the IASB in July 2010 – one, for the AASB and the second, on behalf of the AOSSG.</p>

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2010
17. Financial instruments (IAS 39 replacement phase 2) — impairment	AASB 139	<p>The AASB responded to the IASB Request for Information in August 2009 on the feasibility of an expected loss model for the impairment of financial assets, which was issued in June 2009. In November 2009, the AASB invited comments on ED 189 <i>Financial Instruments: Amortised Cost and Impairment</i>, which incorporates the IASB ED/2009/12. This ED proposes changes to phase 2 of the project to improve the measurement of financial instruments held at amortised cost, a recommendation by the Financial Crisis Advisory Board. In addition, the AASB:</p> <ul style="list-style-type: none"> <li>(a) held Roundtables in Sydney and Melbourne in March 2010 to discuss the impact of the ED on its constituency,</li> <li>(b) participated in an AOSSG presentation in November 2009 summarising the proposals of the ED;</li> <li>(c) held an education session on the ED for the AOSSG Financial Instruments Working Group in April 2010; and</li> <li>(d) participated in the IASB outreach meeting in June 2010.</li> </ul> <p>The AASB made two submissions to the IASB in June 2010 — one, for the AASB and the second, on behalf of the AOSSG.</p> <p>AASB staff continued to monitor the progress of the project.</p>
18. Financial instruments (IAS 39 replacement phase 3) — hedging	AASB 139	
19. Revenue recognition (including participation in IASB Project Team)	AASB 118	<p>In June 2010 the IASB issued ED/2010/6 <i>Revenue from Contracts with Customers</i> (for comment by 22 October 2010), which was incorporated into AASB ED 198. The AASB will make a submission to the IASB before the end of the comment period.</p> <p>In July 2009 the AASB made a submission to the IASB on discussion paper DP/2009/1 <i>Leases — Preliminary Views</i>, and continues monitoring the IASB project.</p>
20. Leases	AASB 117	
21. Income taxes	AASB 112	<p>In July 2009 the AASB made a submission to the IASB on ED 178 <i>Income Taxes</i>. During the year AASB staff were actively involved in providing comments to the UK/German Tax Advisory Panel on their agenda papers. Staff also met with members of the Australian Tax Office to discuss the potential accounting treatment of the new Research and Development tax credit scheme proposed by the Government during the year.</p> <p>The IASB published for public comment ED/2010/5 <i>Presentation of Items of Other Comprehensive Income</i> in May 2010 for comment by 30 September 2010. The AASB issued ED 197, which incorporated the IASB ED, in June 2010 for comment by 2 August 2010.</p> <p>AASB staff continue to monitor the developments concerning the joint IASB/FASB Financial Statement Presentation project.</p>
22. Financial statement presentation	AASB 101	

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2010
23. Insurance contracts (including participation in IASB Project Team)	AASB 4 AASB 1023 AASB 1038	AASB staff monitored the progress of the IASB and FASB in relation to their joint Insurance Contracts project. The AASB received updates from staff and the Australian representative to the IASB Insurance Working Group on key developments on the project during the year.  The IASB issued an ED for a replacement Standard for IFRS 4 <i>Insurance Contracts</i> in July 2010.
24. Extractive activities (AASB-led research project)	AASB 6	Work on the project continues with staff from the AASB, Canada, Norway and South Africa following release of a discussion paper by the IASB in April 2010 for comment by 30 July 2010. The AASB commenced its consideration of the issues for the purpose of forming views to be included in its submission to the IASB. The IASB will decide whether to add the project to its agenda after reviewing comments received on the discussion paper.
25. Conceptual framework — objective and qualitative characteristics	Framework	AASB staff continued to monitor the progress of the IASB.
26. Conceptual framework — elements and recognition	Framework	AASB staff continued to monitor the progress of the IASB.
27. Conceptual framework — measurement	Framework	AASB staff continued to monitor the progress of the IASB. In September 2009, AASB staff provided an analysis to IASB staff on their Measurement chapter.
28. Conceptual framework — reporting entity	Framework	In March 2010, the IASB issued an exposure draft <i>Conceptual Framework for Financial Reporting: The Reporting Entity</i> . The AASB invited comments from Australian constituents on the ED through ED 193.  In April 2010, an AASB staff paper on the reporting entity concept was provided to the National Standard Setters group.  In June 2010, the AASB decided the content of its submission on the IASB ED, which was finalised after 30 June 2010.
29. Actively monitor IFRS implementation	Relevant standards	AASB staff advised the relevant IASB staff of a number of implementation issues during 2009-10, with a view to having them addressed. These included issues relating to the definition of 'key management personnel' in IAS 24 <i>Related Party Disclosures</i> , and whether IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> can be applied more than once by an entity.

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2010
<u>IPSASB convergence</u>		
30. Conceptual framework — public sector perspectives (including social benefits as part of the elements aspect)	Framework	AASB Chairman and staff participated in meetings of the IPSASB conceptual framework project committee/standard setters advisory panel, and commented on drafts of consultation papers on the elements of financial statements and measurement.
31. Service concessions	Interp 12	The IPSASB issued ED 43 <i>Service Concession Arrangements: Grantor</i> in February 2010. The AASB invited comments from Australian constituents on the IPSASB ED through AASB ED 194. The AASB developed a submission to the IPSASB in response to the ED, after considering responses from constituents (the submission was finalised in July 2010). AASB staff continue to monitor the IPSASB work on this project.
32. Long-term sustainability	AASB 137	The IPSASB published Consultation Paper <i>Reporting on the Long-Term Sustainability of Public Finances</i> in Nov 2009, requesting comment by 30 Apr 2010. The AASB published ITC 22 (which incorporated the IPSASB Consultation Paper) in Feb 2010, requesting comment by 1 Apr 2010.
<u>Other international</u>		
33. Income from non-exchange transactions with NZ (including multi-year policy grants & voluntary services)	AASBs 1004, 120 & 118	The AASB issued AASB ED 180 / FRSB ED 118 <i>Income from Non-exchange Transactions (Taxes and Transfers)</i> jointly with the FRSB in June 2009 for comment by 30 November 2009. The AASB reviewed comments received from constituents and decided to pursue an approach to liability recognition aligned more closely to the IASB's proposals in its <i>ED Revenue from Contracts with Customers</i> . Staff have subsequently been developing an issues paper based on that new approach.
34. NFP criteria/NZ convergence (including NFP definition and guidance)	—	The AASB, jointly with FRSB, agreed a joint project plan that will progress Australian/New Zealand convergence in phases. The Boards developed two Exposure Drafts, focusing on for-profit entities. The Exposure Drafts were issued in July 2010 as AASB ED 200A/FRSB ED 121 <i>Proposals to Harmonise Australian and New Zealand Standards in Relation to Entities Applying IFRSs as Adopted in Australia and New Zealand</i> and AASB ED 200B/FRSB ED 122 <i>Proposed Separate Disclosure Standards</i> , for comment by 8 October 2010. Future phases will consider the convergence of requirements applying to not-for-profit/public benefit entities and differential reporting/qualifying entities.

## Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2010
35. Conceptual framework — NFP entity perspectives (shadowing IASB/FASB project — see items 25-28 & 30 above)	Framework	In June 2010, the AASB decided that the forthcoming IASB Framework chapters on the Objective and Qualitative Characteristics should be applicable to Australian not-for-profit entities, with brief guidance added for those entities. AASB staff monitored briefing reports on not-for-profit entity implications of work-in-progress of the IASB's Conceptual Framework project.
36. Intangible assets (DP Initial Accounting for Internally Generated Intangible Assets for review by NSS)	AASBs 138 & 3	In October 2008, AASB staff issued the Discussion Paper (DP) <i>Initial Accounting for Internally Generated Intangible Assets</i> with the support of the National Standard Setters group (NSS). One of the main conclusions in the DP is that consideration should be given to requiring the initial accounting for internally generated intangible assets to be the same as the initial accounting for intangible assets acquired in a business combination. Comments on the DP were discussed by the NSS at its September 2009 meeting. At its April 2010 meeting, the NSS members expressed support for AASB staff undertaking a post-implementation review (in the form of a questionnaire) of the initial accounting for intangible assets by for-profit entities acquired in a business combination under IFRS 3 <i>Business Combinations</i> or similar GAAP, such as the FASB's SFAS 141 <i>Business Combinations</i> . A draft final version of a questionnaire was distributed for comment among NSS members in June 2010. A final version of the questionnaire is expected to be provided to NSS members for distribution to constituents in their respective jurisdictions in Q4 2010.
<u>Interpretations</u>		
37. Employer accounting for Australian superannuation contributions tax in respect of defined benefit liabilities/assets	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 AASB based on the Panel's recommendations. However, the AASB agreed to defer any decisions on the draft Interpretation as the IASB indicated that possible changes to IAS 19 <i>Employee Benefits</i> may address the issues presented in the draft Interpretation. In May 2010, the AASB issued ED 195 <i>Defined Benefit Plans (proposed amendments to AASB 119)</i> , which incorporates the IASB's ED of the same name. ED 195 proposes that AASB 119 <i>Employee Benefits</i> be amended to require taxes payable by a plan on contributions relating to an employee's service or on benefits relating to that service to be incorporated in the measurement of defined benefit obligations. In addition, ED 195 asked constituents whether the proposed amendments to AASB 119 clarify the treatment of superannuation contributions tax in accounting for defined benefit obligations. The closing date for submissions on ED 195 was 9 August 2010, and the AASB has commenced its consideration of the submissions received.
38. Managed investment schemes (related party disclosures)	AASB 124	The AASB and FRSB Chairs sent a joint letter to the IASB requesting that the issue be addressed as an Annual Improvement. The IASB responded by asking for further information, which was supplied in July 2010.

**Non-active projects**

Project	Pronouncement	Outcomes to 30 June 2010
<u>Domestic not-for-profit and public sector</u>		
1. Administered items	AASB 1050	<p>The AASB added the 'Defining the Reporting Entity in the Public Sector (including consideration of the concept of control)' project to its list of Active Projects, after considering a project plan and outline (see item 4 of the Active Projects list above). The project outline includes consideration of issues relating to administered items. The project is being progressed jointly with FRSB. Preliminary work has commenced on phase 1 of the project, which is determining the extent of the issues and current practice – in particular identifying the current issues arising from the application of control in the public sector.</p>
2. Performance indicators [public sector] (including 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)	—	<p>The Board decided to initiate an active project 'Disclosures by Private Sector Not-for-Profit Entities'. Initially, the project will focus on disclosures that Australian Accounting Standards do not currently require of private sector not-for-profit entities that should be required (Phase 1). In the first instance, consideration will be given to work being undertaken by the IPSASB and the FRSB on service performance reporting. The Board expressed its desire to not increase unduly the disclosure requirements for not-for-profit entities and agreed the project would also consider whether there are any existing disclosure requirements in Australian Accounting Standards for which the information provided to users might not be justified from a cost/benefit perspective (Phase 2). An Advisory Panel and subcommittee of the Board have been established for Phase 1 of the project, and staff have undertaken a significant amount of empirical research. Once the issues have been considered from a private sector not-for-profit perspective, the Board will consider what the implications might be for public sector not-for-profit entities.</p>
3. Disaggregated information	AASB 1052	<p>At its April 2010 meeting, in the context of its discussions about GAAP/GFS harmonisation for entities within the GGS (see item 1 of the Active Projects listed above), the AASB decided that disaggregated disclosures are an important issue and, rather than deal with the topic as part of the GAAP/GFS harmonisation project, the topic should be dealt with in a separate project and given a high priority. Accordingly, the Disaggregated Disclosures project has been added to the AASB's list of Active Projects for 2010-11. No progress was made on the project in 2009-10.</p>
4. Budget reporting beyond GGS and WoG (gaps in GAAP no. 26)	AASB 1049	<p>The AASB commenced consideration of ex post budget reporting issues for entities within the GGS as part of its GAAP/GFS Harmonisation for Entities within the GGS project (see item 1 of the Active Projects listed above). In relation to not-for-profit private sector entities, the topic will be addressed as part of the Board's Disclosures by Private Sector Not-for-Profit Entities project (which was added to the AASB 2010-11 work program during 2009-10). However, no work was undertaken on that aspect of the project during 2009-10, except some staff research in the context of service performance reporting, which is the subject of the first part of that project.</p>
5. Compliance with parliamentary appropriations and other externally imposed requirements	AASB 1004	<p>AASB ED 180/FRSB ED 118 <i>Income from Non-exchange Transactions (Taxes and Transfers)</i>, the proposed replacement of AASB 1004 <i>Contributions</i>, proposed removing the disclosure requirements relating to compliance with parliamentary appropriations and other externally imposed requirements by government departments in AASB 1004. The AASB is continuing its review of constituents' comments on AASB ED 180/FRSB ED 118.</p>

**Non-active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2010
6. Other gaps in GAAP for public sector NFP entities	Various Stds	The AASB has kept its public sector agenda under review during the year. The AASB corresponded with Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) and Australasian Council of Auditors-General (ACAG) in relation to public sector project priorities. The AASB's public sector agenda was also discussed in a range of seminars during the year. Further discussions will be held with public sector constituents.
<u>IASB — non-substantive involvement</u>		
7. Financial instruments with the characteristics of equity	AASB 132	The AASB staff continued to monitor the progress of the project.
8. Joint ventures	AASB 131	The AASB continued to monitor the IASB's progress. In April 2010, the AASB received a staff update on the IASB's tentative decisions up to that time on the IASB's project as a background to considering the forthcoming replacement Standard for IAS 31 <i>Interests in Joint Ventures</i> , which the IASB is expected to issue during Q4 2010. The Board also agreed to send a formal letter to the IASB encouraging consideration of a number of concerns the Board had in relation to the project.
9. Management commentary	AASB 1039 para 24	The AASB continued to monitor the IASB's progress. The AASB issued ED 183 <i>Management Commentary</i> in June 2009 (which incorporated IASB Exposure Draft ED/2009/6). The AASB made a submission to the IASB in February 2010.
10. Post-employment benefits (including pensions)	AASB 119	The IASB intends to make short-term, targeted, improvements to the recognition, presentation and disclosure requirements applicable to entities with defined benefit plans by mid-2011. Consistent with this, the IASB issued ED/2010/3 <i>Defined Benefit Plans – Proposed amendments to IAS 19</i> in May 2010 (which the AASB incorporated into AASB ED 195). The IASB developed the proposals in ED/2010/3 having considered constituent responses to its Discussion Paper <i>Preliminary Views on Amendments to IAS 19</i> . AASB ED 195 was open for comment until 9 August 2010 and IASB ED/2010/3 was open for comment until 6 September 2010.
11. Rate-regulated activities	Framework	In August 2009, the IASB published an exposure draft proposing to remove the requirement in IAS 19 to use a government bond rate for discounting employee benefit obligations when there is no deep market in high quality corporate bonds. The AASB issued ED 187 <i>Discount Rate for Employee Benefits (proposed amendments to AASB 119)</i> , which incorporates the IASB Exposure Draft. The AASB received 11 submissions, which were considered in developing the AASB's submission to the IASB. In October 2009, the IASB decided not to proceed with the proposals in this exposure draft. In July 2010 the IASB issued ED/2009/8 <i>Rate-regulated Activities</i> , which the AASB incorporated into ED 185. AASB staff also consulted directly with a selection of constituents. The AASB made a submission to the IASB on 19 November 2009.

**Non-active projects (continued)**

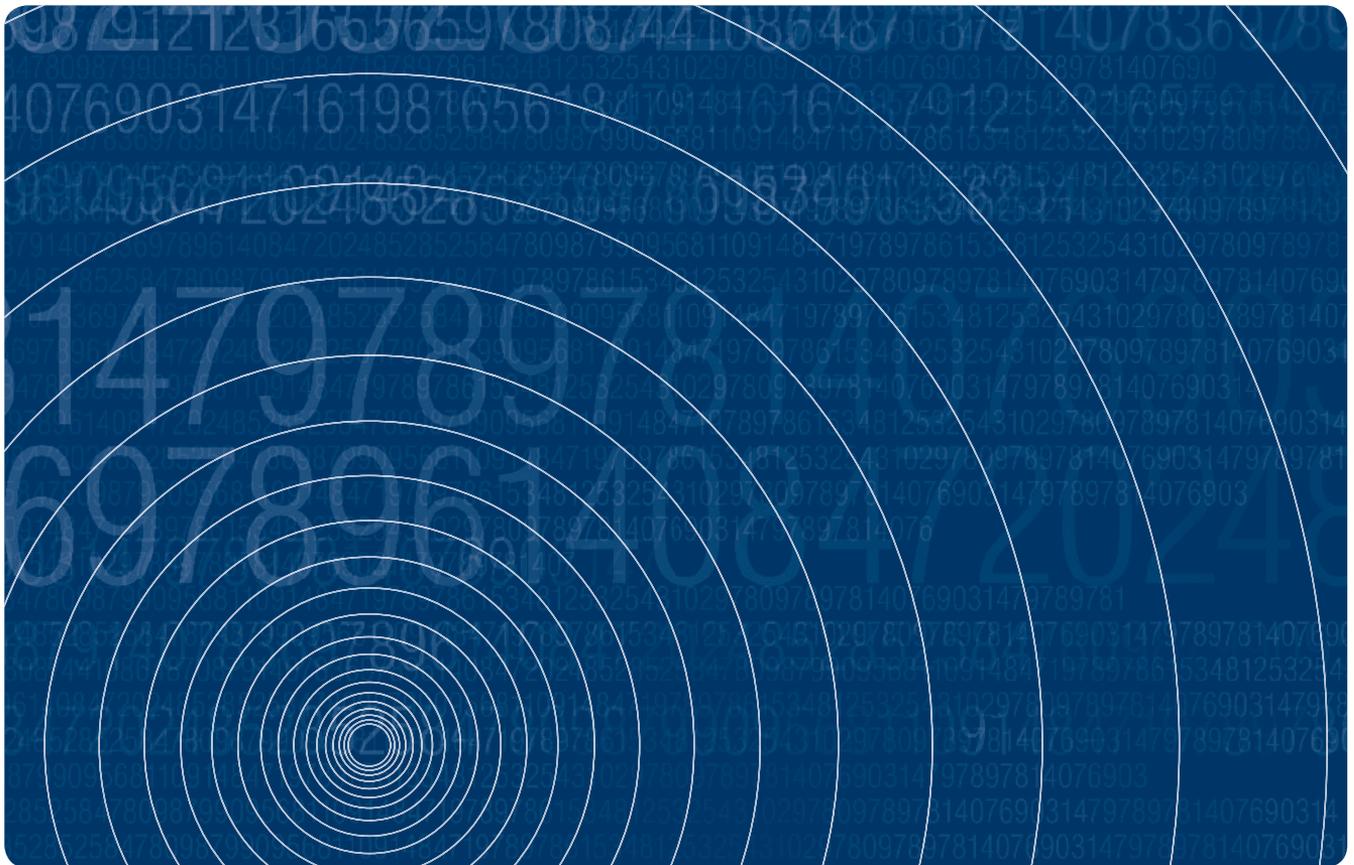
Project	Pronouncement	Outcomes to 30 June 2010
12. Annual improvements 2008-2010 Annual improvements 2009-2011	Various Stds	<p>The AASB issued ED 188 <i>Improvements to IFRSs</i>, which incorporated IASB ED/2009/11 <i>Improvements to IFRSs</i>, in September 2009. One submission was received in respect of the proposals in ED 188 and there was support for adopting the proposed IASB revision in Australian Accounting Standards. The AASB made a submission to the IASB.</p> <p>Consequently, the IASB issued <i>Improvements to IFRSs</i> – a collection of amendments to seven Standards. These amendments result from IASB proposals that were contained in ED 188 and one proposal in ED 185 <i>Rate-regulated Activities</i> published in July 2009.</p> <p>The amendments in <i>Improvements to IFRSs</i> have either of two application dates. Some amendments have an application date of annual reporting periods beginning on or after 1 July 2010 while other amendments have an application date of annual reporting periods beginning on or after 1 January 2011. Consequently, two amending standards were issued in Australia – AASB 2010-3 (1 July 2010 amendments) and AASB 2010-4 (1 January 2011 amendments).</p> <p>AASB staff continue to monitor the IASB's progress. An IASB Exposure Draft is expected to be published in Q1 2011.</p>
13. Discontinued operations (IFRS 5)	AASB 5	<p>Consistent with the FRC's direction to adopt IFRSs, AASB 1 was amended to grandfather previous national GAAP regarding aspects of accounting for extractive activities and rate-regulated activities for entities adopting IFRSs from 2011. These amendments are expected to have little or no impact on Australian entities.</p>
14. First-time adoption of IFRSs; additional exemptions	AASB 1	<p>In November 2009, the IASB issued <i>Prepayments of a Minimum Funding Requirement</i> (Amendments to IFRIC 14), which contains amendments to IFRIC 14 IAS 19 – <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>. The amendments result from proposals contained in ED/2009/4 <i>Prepayments of a Minimum Funding Requirement – Proposed amendments to IFRIC 14</i>, which was issued in May 2009.</p>
15. Amendments to IFRIC 14	Interpretation 14	<p>In December 2009, the AASB issued AASB 2009-14 <i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement</i>, which amends Australian Interpretation 14 AASB 119 – <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i> in line with the amendments to IFRIC 14 contained in the IASB document <i>Prepayments of a Minimum Funding Requirement</i> (Amendments to IFRIC 14).</p>
16. Liabilities (IAS 37 amendments)	AASBs 119 & 137	<p>In January 2010 the IASB published ED/2010/1 <i>Measurement of Liabilities (Limited re-exposure of proposed amendment to IAS 37)</i> for comment by 12 April 2010. The AASB published ED 191 (which incorporated the IASB ED) for comment by 15 March 2010.</p> <p>In February 2010 the IASB issued a Working Draft IFRS on Liabilities that is due to replace IAS 37.</p> <p>In April 2010 the AASB made a submission to the IASB on ED/2010/1 after considering constituents' comments.</p>

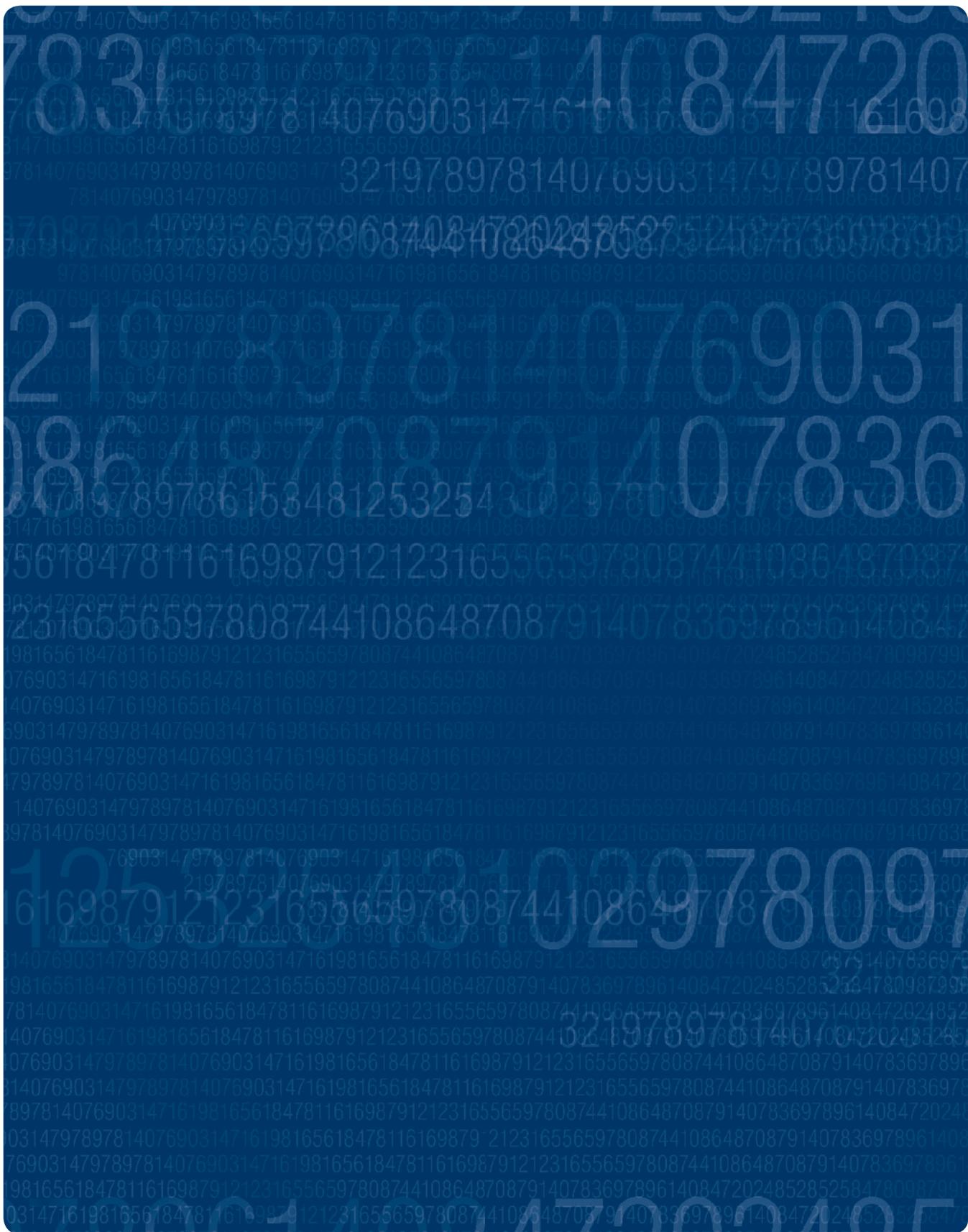
**Non-active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2010
17. Related party disclosures	AASB 124	The IASB issued a revised IAS 24 <i>Related Party Disclosures</i> in November 2009. The revisions included providing an exemption from disclosure requirements for transactions between entities controlled, jointly controlled or significantly influenced by the same state ('state-controlled entities') and amending the definitions of a related party and of a related party transaction to clarify the intended meaning and remove some inconsistencies.  The AASB prepared a revised standard in November 2009 taking into account the revisions made by IASB.
18. Share-based payment: group cash-settled transactions	AASB 2 IFRIC 11	This project was finalised with the issuance of AASB 2009-8 <i>Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions</i> .
<u>IPSASB Convergence</u>		
19. Heritage assets	AASB 116	No action – the IPSASB has deferred further work on this project, pending development of its conceptual framework.
20. Agriculture (IPSASB convergence with IAS 41)	AASB 141	In June 2009 the AASB made a submission to the IPSASB on ED 36 <i>Agriculture</i> . The IPSASB issued IPSAS 27 <i>Agriculture</i> in December 2009.
21. Financial instruments (IPSASB convergence with IFRS 7, IAS 32 & IAS 39)	AASBs 7, 132 & 139	The IPSASB issued IPSASs 28-30 in January 2010. The AASB will consider the suitability of IPSASB modifications to the underlying IFRSs for Australian Standards.
22. Intangible assets (IPSASB convergence with IAS 38)	AASB 138	AASB staff provided detailed comments to IPSASB staff on a number of draft versions of ED 40 <i>Intangible Assets</i> . In May 2009, the IPSASB published ED 40, to which the AASB provided a response in August 2009. In January 2010, the IPSASB issued IPSAS 31 <i>Intangible Assets</i> .
23. Entity combinations from exchange transactions (IPSASB convergence with IFRS 3)	AASB 3	The IPSASB did not issue an IPSAS on this topic after completing its due process through ED 41 <i>Entity Combinations from Exchange Transactions</i> . The IPSASB is commencing a new broad project on entity combinations, which the AASB will monitor.



# Management and accountability





# MANAGEMENT AND ACCOUNTABILITY

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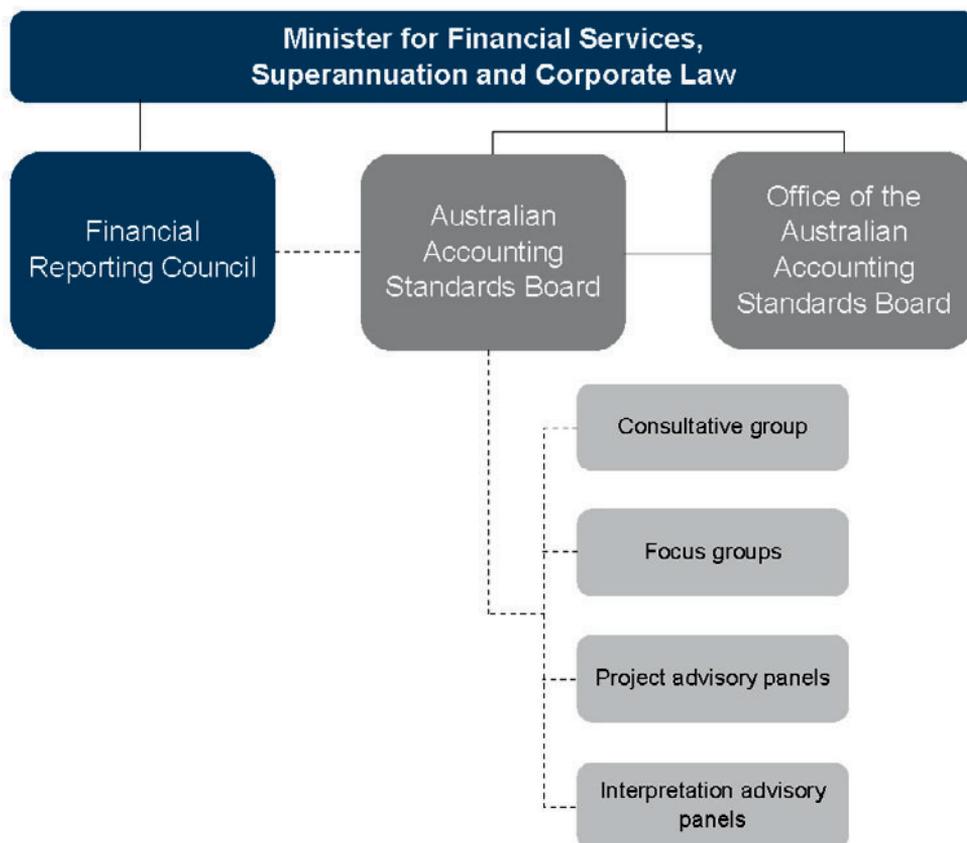
## CORPORATE GOVERNANCE

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 Office of 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 2009-10 are listed below. The Board held 10 meetings for a total of 18 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). Absent: Glenn Appleyard.

### Kevin Stevenson, 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 2010 were:

### **Ian McPhee, Deputy Chairman**

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

### **Bruce Porter, 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 a member of the Commonwealth Grants Commission and is the Chairman of the Tasmanian Economic Regulator.

### **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, and then again until 31 December 2010.

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.

## **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 and then again until 31 December 2010.

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, again from 1 January 2007 to 31 December 2009 and again until 31 December 2010.

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.

## **Observers**

The following had observer status during all or part of the year:

- Warren McGregor, IASB member;
- Peter Batten and Tim Youngberry, Australian representatives 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 2009-10, 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 2009-10 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 a new Fraud Control Plan in July 2010. 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**

The 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 2010, the Office of the AASB had 17 full-time and one part-time technical staff members (11 male and seven female), based in Melbourne, including:

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

Also, the Office of the AASB had seven full-time and one part-time administration staff members (two male and six female). All staff are based in Melbourne, including:

- 1 Director, Finance and Administration;
- 1 Assistant Accountant;
- 1 Accounts/ Administration Assistant;
- 1 Executive Assistant;
- 1 Receptionist/ Customer Service Officer;
- 1 Communications Manager;
- 1 Network Administrator; and
- 1 Website 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 2009-10.

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](http://www.tenders.gov.au).

## **CONSULTANTS**

During the 2009-10 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 AASB has a contract with the IFRS Foundation. The contract gives the AASB rights to IFRS copyright material.

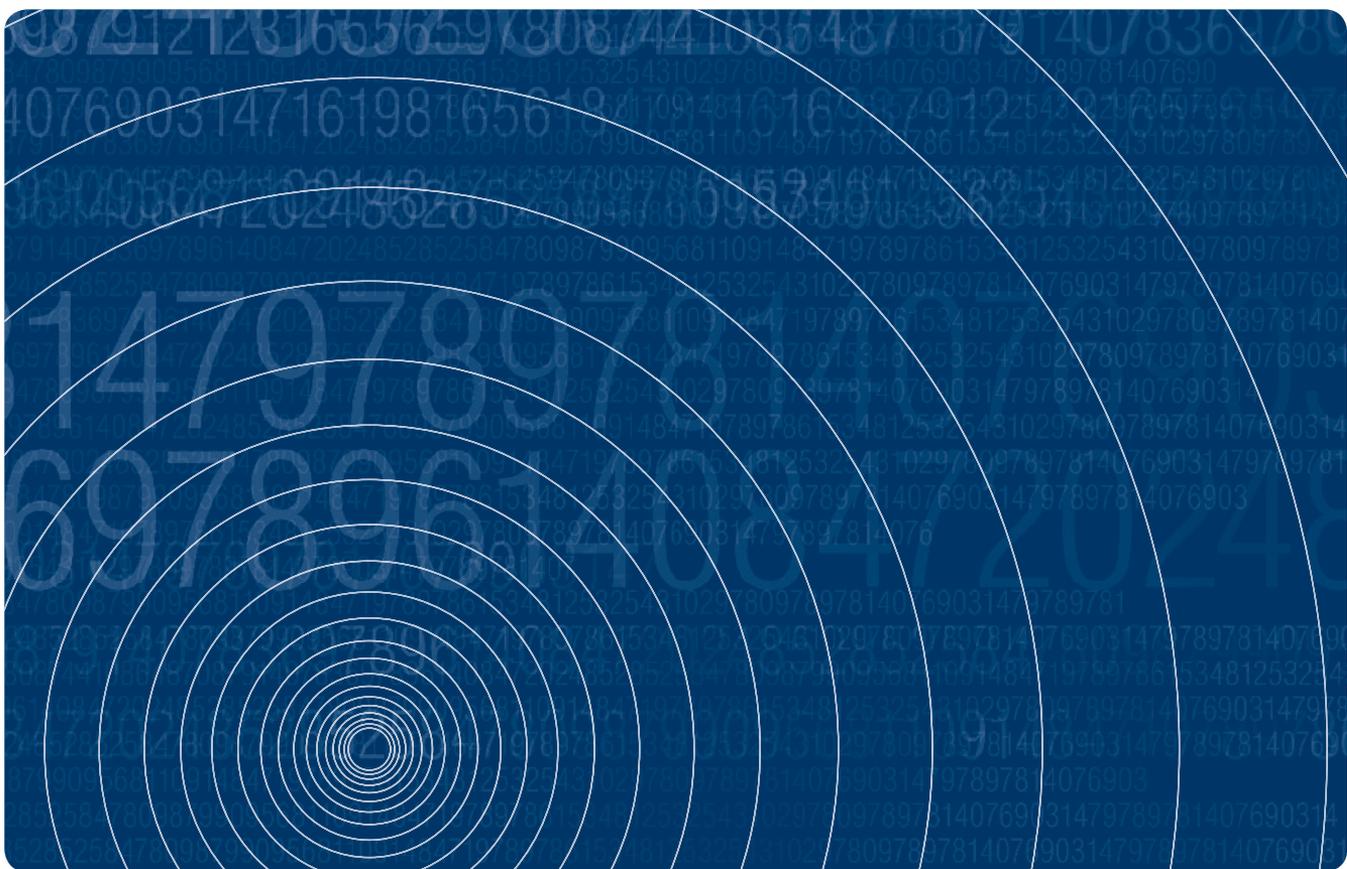
This contract has been exempted by the Chief Executive from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

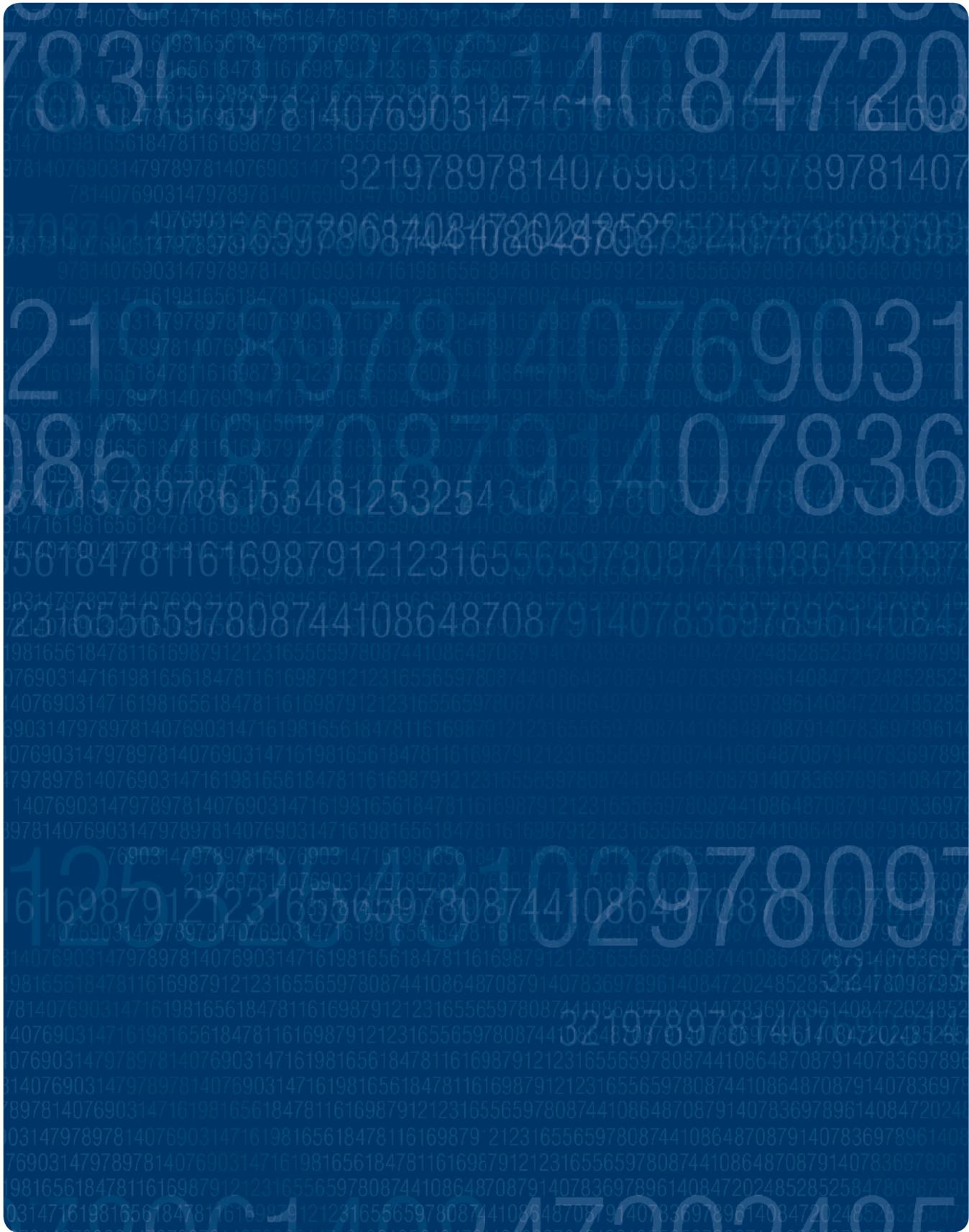
## **COMMONWEALTH DISABILITY STRATEGY**

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 Minister for Financial Services, Superannuation and Corporate Law

### Scope

I have audited the accompanying financial statements of the Office of the Australian Accounting Standards Board for the year ended 30 June 2010, which comprise: the Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions 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 Office of the Australian Accounting Standards Board'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 the 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 the Australian National Audit Office Auditing Standards, which incorporate the 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 Office of the Australian Accounting Standards Board'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 Office of the Australian Accounting Standards Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Office of the Australian Accounting Standards Board'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.

***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 Office 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 Office of the Australian Accounting Standards Board's financial position as at 30 June 2010 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



John Jones

Executive Director

Delegate of the Auditor-General

Canberra

9 September 2010

## STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

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In our opinion, the attached financial statements for the year ended 30 June 2010 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 Michael Stevenson  
Chief Executive Officer  
8 September 2010



Litsa Pillios  
Chief Financial Officer  
8 September 2010

**Statement of comprehensive income**  
for the period ended 30 June 2010

	Notes	2010 \$	2009 \$
<b>EXPENSES</b>			
Employee benefits	3A	3,036,148	2,801,918
Supplier expenses	3B	1,048,766	1,051,677
Depreciation and amortisation	3C	130,784	152,071
Finance costs	3D	5,792	5,493
<b>Total expenses</b>		<b>4,221,490</b>	<b>4,011,159</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	234,306	250,246
Rental income	4B	47,465	45,271
Other revenue	4C	1,623,500	1,200,000
<b>Total own-source revenue</b>		<b>1,905,271</b>	<b>1,495,517</b>
<b>GAINS</b>			
Other gains	4D	21,000	19,000
<b>Total gains</b>		<b>21,000</b>	<b>19,000</b>
<b>Total own-source income</b>		<b>1,926,271</b>	<b>1,514,517</b>
<b>Net cost of (contribution by) services</b>		<b>2,295,219</b>	<b>2,496,642</b>
Revenue from Government	4E	3,091,000	3,095,940
<b>Surplus attributable to the Australian Government</b>		<b>795,781</b>	<b>599,298</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		55,220	-
Actuarial gains/(losses) on defined benefit plans		219,000	(424,000)
<b>Total other comprehensive income</b>		<b>274,220</b>	<b>(424,000)</b>
<b>Total comprehensive income</b>		<b>1,070,001</b>	<b>175,298</b>
<b>Total comprehensive income attributable to the Australian Government</b>		<b>1,070,001</b>	<b>175,298</b>

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

## Balance sheet

as at 30 June 2010

	Notes	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5A	232,672	395,549
Trade and other receivables	5B	4,511,632	4,043,174
<b>Total financial assets</b>		<b>4,744,304</b>	<b>4,438,723</b>
<b>Non-financial assets</b>			
Property, plant and equipment	6A,C	668,503	616,602
Intangibles	6B,C	4,696	12,242
Inventories	6D	2,535	2,596
Other non-financial assets	6E	8,542	15,644
<b>Total non-financial assets</b>		<b>684,276</b>	<b>647,084</b>
<b>Total assets</b>		<b>5,428,580</b>	<b>5,085,807</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	142,014	141,696
Other payables	7B	491,904	543,287
<b>Total payables</b>		<b>633,918</b>	<b>684,983</b>
<b>Provisions</b>			
Employee provisions	8A	899,110	1,581,065
Other provisions	8B	111,843	106,051
<b>Total provisions</b>		<b>1,010,953</b>	<b>1,687,116</b>
<b>Total liabilities</b>		<b>1,644,871</b>	<b>2,372,099</b>
<b>Net assets</b>		<b>3,783,709</b>	<b>2,713,708</b>
<b>EQUITY</b>			
Asset revaluation reserve		55,220	-
Retained surplus		3,728,489	2,713,708
<b>Total equity</b>		<b>3,783,709</b>	<b>2,713,708</b>

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

**Statement of changes in equity**  
for the period ended 30 June 2010

	Retained earnings		Asset revaluation reserve		Total equity	
	2010	2009	2010	2009	2010	2009
<b>Opening balance</b>						
Balance carried forward from previous period	2,713,708	2,538,410	-	-	2,713,708	2,538,410
<b>Adjusted opening balance</b>	<b>2,713,708</b>	<b>2,538,410</b>	<b>-</b>	<b>-</b>	<b>2,713,708</b>	<b>2,538,410</b>
<b>Comprehensive income</b>						
Other comprehensive income						
Changes in asset revaluation reserves	-	-	55,220	-	55,220	-
Actuarial gains/(losses)	219,000	(424,000)	-	-	219,000	(424,000)
Surplus/(deficit) for the period	795,781	599,298	-	-	795,781	599,298
<b>Total comprehensive income</b>	<b>1,014,781</b>	<b>175,298</b>	<b>55,220</b>	<b>-</b>	<b>1,070,001</b>	<b>175,298</b>
of which:						
Attributable to the Australian Government	1,014,781	175,298	55,220	-	1,070,001	175,298
<b>Transactions with owners</b>						
<b>Distributions to owners</b>						
Other	-	3,688,000	-	-	-	3,688,000
<b>Contribution by owners</b>						
Appropriation (equity injection)	-	3,688,000	-	-	-	3,688,000
<b>Closing balance as at 30 June 2010</b>	<b>3,728,489</b>	<b>2,713,708</b>	<b>55,220</b>	<b>-</b>	<b>3,783,709</b>	<b>2,713,708</b>
<b>Closing balance attributable to the Australian Government</b>	<b>3,728,489</b>	<b>2,713,708</b>	<b>55,220</b>	<b>-</b>	<b>3,783,709</b>	<b>2,713,708</b>

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

**Cash flow statement**

for the period ended 30 June 2010

	Notes	2010 \$	2009 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		3,760,000	1,493,640
Goods and services		113,054	153,009
Net GST received		143,057	161,417
Other cash received		1,901,962	3,087,304
<b>Total cash received</b>		<b>5,918,073</b>	<b>4,895,370</b>
<b>Cash used</b>			
Employees		3,499,103	2,908,975
Suppliers		1,255,415	1,199,162
Net GST paid		76,652	90,238
Cash to Official Public Account		1,129,861	-
<b>Total cash used</b>		<b>5,961,031</b>	<b>4,198,375</b>
<b>Net cash flows from (used by) operating activities</b>	9	<b>(42,958)</b>	<b>696,995</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment		119,919	2,074
<b>Total cash used</b>		<b>119,919</b>	<b>2,074</b>
<b>Net cash flows (used by) investing activities</b>		<b>(119,919)</b>	<b>(2,074)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Transfer to the Official Public Account		-	3,990,667
<b>Total cash used</b>		<b>-</b>	<b>3,990,667</b>
<b>Net cash flows (used by) financing activities</b>		<b>-</b>	<b>(3,990,667)</b>
<b>Net (decrease) in cash held</b>		<b>(162,877)</b>	<b>(3,295,746)</b>
Cash and cash equivalents at the beginning of the reporting period		395,549	3,691,295
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>232,672</b>	<b>395,549</b>

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

## Schedule of commitments

as at 30 June 2010

	2010	2009
	\$	\$
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Sublease rental income <sup>1</sup>	333,840	381,440
GST recoverable on commitments	295,556	333,064
<b>Total commitments receivable</b>	<b>629,396</b>	<b>714,504</b>
<b>Commitments payable</b>		
Operating leases <sup>2</sup>	3,251,112	3,663,700
Other commitments	33,384	38,144
<b>Total commitments payable</b>	<b>3,284,496</b>	<b>3,701,844</b>
<b>Net commitments by type</b>	<b>2,655,100</b>	<b>2,987,340</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	94,679	90,689
From one to five years	413,187	394,447
Over five years	121,530	229,368
<b>Total commitments receivable</b>	<b>629,396</b>	<b>714,504</b>
<b>Operating lease commitments payable</b>		
One year or less	496,198	473,968
From one to five years	2,136,964	2,023,441
Over five years	617,950	1,166,291
<b>Total operating lease commitments payable</b>	<b>3,251,112</b>	<b>3,663,700</b>
<b>Other commitments payable</b>		
One year or less	4,957	4,760
From one to five years	21,892	21,050
Over five years	6,535	12,334
<b>Total other commitments payable</b>	<b>33,384</b>	<b>38,144</b>
<b>Net commitments by maturity</b>	<b>2,655,100</b>	<b>2,987,340</b>

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 percent per annum as per lease agreement.
Lease of photocopier	The lessor provides a photocopier for 60 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 2010

There are no known contingencies as at 30 June 2010.

(Nil contingencies as at 30 June 2009.)

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

## Schedule of asset additions

as at 30 June 2010

The following non-financial non-current assets were added in 2009-10:

	Other property, plan & equipment	Intangibles	Other	Total \$'000
By purchase – appropriation ordinary annual services	119,919	-	-	
<b>Total additions</b>	<b>119,919</b>	<b>-</b>	<b>-</b>	<b>119,919</b>

The following non-financial non-current assets were added in 2008-09:

	Other property, plan & equipment	Intangibles	Other	Total
By purchase – appropriation ordinary annual services	-	2,074	-	2,074
<b>Total additions</b>	<b>-</b>	<b>2,074</b>	<b>-</b>	<b>2,074</b>

The above schedule 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

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#### 1.1 Objectives of AASB

The Office of the Australian Accounting Standards Board is an Australian Government agency, which provides technical and administrative support to the Australian Accounting Standards Board (AASB). The Office of the AASB is the financial entity and is governed by the FMA Act, whilst the AASB is a statutory committee under the *ASIC Act*.

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 key strategies to achieve this outcome are:

- 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
- Australian participation in and contribution to the development of a single set of accounting standards for worldwide use.

The continued existence of the AASB in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the AASB's administration and programs.

#### 1.2 Basis of preparation of the financial statements and notes

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

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

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2009; 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 2010. 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.

The defined benefit plan requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in retained earnings.

The defined benefit liability recognised in the balance sheet represents the present value of the defined benefit obligation, net of the fair value of the plan assets.

## **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 statement of comprehensive income.

### **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:

	2010	2009
Leasehold improvements	<b>Depreciated replacement cost</b>	Depreciated replacement cost
Plant and equipment	<b>Depreciated replacement cost</b>	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, where material. 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:

	<b>2010</b>	<b>2009</b>
Leasehold improvements	<b>Lease term — ten years</b>	Lease term — ten years
Plant and equipment	<b>Three to ten years</b>	Three to ten years

(d) Impairment

All assets were assessed for impairment at 30 June 2010. 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 (2008-09: three to five years).

All software assets were assessed for indications of impairment as at 30 June 2010.

### **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 2010. 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**

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

### Note 3: Expenses

	2010	2009
	\$	\$
<b>Note 3A: Employee benefits</b>		
Wages and salaries	2,735,236	2,451,379
Superannuation:		
Defined contribution plans	131,846	134,701
Defined benefit plans	158,021	152,004
Leave and other entitlements	11,045	63,834
<b>Total employee benefits</b>	<b>3,036,148</b>	<b>2,801,918</b>
<b>Note 3B: Suppliers</b>		
Goods and services are made up of:		
Provision of goods — related entities	-	476
Provision of goods — external parties	79,664	93,728
Rendering of services — related entities	85,615	76,909
Rendering of services — external parties	540,801	553,353
Total goods and services expenses	706,080	724,466
<b>Other supplier expenses</b>		
Operating lease rentals – related entities:		
Minimum lease payments	337,000	318,141
Workers compensation premiums	5,686	9,070
<b>Total other supplier expenses</b>	<b>342,686</b>	<b>327,211</b>
<b>Total supplier expenses</b>	<b>1,048,766</b>	<b>1,051,677</b>
<b>Note 3C: Depreciation and amortisation</b>		
Depreciation:		
Property, plant and equipment	123,238	143,372
<b>Total depreciation</b>	<b>123,238</b>	<b>143,372</b>
Amortisation:		
Intangibles:		
Computer software	7,546	8,699
<b>Total amortisation</b>	<b>7,546</b>	<b>8,699</b>
<b>Total depreciation and amortisation</b>	<b>130,784</b>	<b>152,071</b>
<b>Note 3D: Finance costs</b>		
Unwinding of discount on leasehold restoration obligation (see 8B)	5,792	5,493
<b>Total finance costs</b>	<b>5,792</b>	<b>5,493</b>

**Note 4: Income**

	2010	2009
	\$	\$
<b>REVENUE</b>		
<b>Note 4A: Sale of goods and rendering of services</b>		
Provision of goods — related entities	1,806	3,010
Provision of goods — external entities	51,137	69,675
Rendering of services — related entities*	181,363	177,561
<b>Total sale of goods and rendering of services</b>	<b>234,306</b>	<b>250,246</b>
* Recoupment of costs from AUASB		
<b>Note 4B: Rental income</b>		
Operating lease:		
Other	47,465	45,271
<b>Total rental income</b>	<b>47,465</b>	<b>45,271</b>
<b>Note 4C: Other revenue</b>		
Contributions from States and Territories	500,000	500,000
Contributions from CPA Australia	22,000	33,333
Contributions from the Institute of Chartered Accountants in Australia	22,000	33,333
Contributions from the National Institute of Accountants	22,000	33,334
Contributions from Australian Stock Exchange	100,000	100,000
Contributions from Companies Unclaimed Monies Account	957,500	500,000
<b>Total contributions</b>	<b>1,623,500</b>	<b>1,200,000</b>
<b>Total other revenue</b>	<b>1,623,500</b>	<b>1,200,000</b>
<b>GAINS</b>		
<b>Note 4D: Other gains</b>		
Resources received free of charge in relation to audit services	21,000	19,000
<b>Total other gains</b>	<b>21,000</b>	<b>19,000</b>
<b>REVENUE FROM GOVERNMENT</b>		
<b>Note 4E: Revenue from Commonwealth Government</b>		
Appropriations:		
Departmental outputs	3,091,000	3,095,940
<b>Total revenue from Government</b>	<b>3,091,000</b>	<b>3,095,940</b>

## Note 5: Financial assets

	2010	2009
	\$	\$
<b>Note 5A: Cash and cash equivalents</b>		
Cash on hand or on deposit	232,672	395,549
<b>Total cash and cash equivalents</b>	<b>232,672</b>	<b>395,549</b>
<b>Note 5B: Trade and other receivables</b>		
<b>Goods and Services:</b>		
Goods and services – related entities	20,507	23,240
Goods and services – external parties	898	5,830
<b>Total receivables for goods and services</b>	<b>21,405</b>	<b>29,070</b>
<b>Appropriations receivable:</b>		
For existing outputs	4,451,529	3,990,667
<b>Total appropriations receivable</b>	<b>4,451,529</b>	<b>3,990,667</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	38,698	23,437
<b>Total other receivables</b>	<b>38,698</b>	<b>23,437</b>
<b>Total trade and other receivables (gross)</b>	<b>4,511,632</b>	<b>4,043,174</b>
Receivables are expected to be recovered in:		
No more than 12 months	823,632	355,174
More than 12 months	3,688,000	3,688,000
<b>Total trade and other receivables (gross)</b>	<b>4,511,632</b>	<b>4,043,174</b>
Receivables are aged as follows:		
Not overdue	4,511,632	4,043,174
<b>Total receivables (gross)</b>	<b>4,511,632</b>	<b>4,043,174</b>

## Note 6: Non-financial assets

	2010	2009
	\$	\$
<b>Note 6A: Infrastructure, plant and equipment</b>		
Infrastructure, plant and equipment:		
— gross carrying value (at fair value)	1,111,658	1,150,525
— accumulated depreciation	(433,155)	(533,923)
<b>Total infrastructure, plant and equipment (non-current)</b>	<b>668,503</b>	<b>616,602</b>

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. The revaluation was conducted by management. A revaluation increment of \$55,220 for infrastructure, plant and equipment was recognised in the statement of comprehensive income and transferred to the asset revaluation reserve. No indicators of impairment were found for infrastructure, plant and equipment.

**Note 6B: Intangibles**

	2010	2009
	\$	\$
Computer software at cost:		
Other computer software	43,535	43,535
<b>Total computer software (gross)</b>	<b>43,535</b>	<b>43,535</b>
Accumulated amortisation	(38,839)	(31,293)
<b>Total intangibles (net)</b>	<b>4,696</b>	<b>12,242</b>

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 (2009-10)

	Infrastructure, plant and equipment	Computer software purchased
	\$	\$
<b>As at 1 July 2009</b>		
Gross book value	1,150,525	43,535
Accumulated depreciation/amortisation and impairment	(533,923)	(31,293)
<b>Net book value 1 July 2009</b>	<b>616,602</b>	<b>12,242</b>
Additions:		
By purchase	119,919	-
Revaluations and impairments recognised in other comprehensive income	55,220	-
Depreciation/amortisation expense	(123,238)	(7,546)
<b>Net book value 30 June 2010</b>	<b>668,503</b>	<b>4,696</b>
<b>Net book value as of 30 June 2010 represented by:</b>		
Gross book value	1,111,658	43,535
Accumulated depreciation/amortisation and impairment	(443,155)	(38,839)
	<b>668,503</b>	<b>4,696</b>

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

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

	2010	2009
	\$	\$
<b>Note 6D: Inventories</b>		
Inventories held for sale		
Finished goods	2,535	2,596
<b>Total inventories</b>	<b>2,535</b>	<b>2,596</b>

All inventory is expected to be sold in the next 12 months

### Note 6E: Other non-financial assets

Prepayments	8,542	15,644
<b>Total other non-financial assets</b>	<b>8,542</b>	<b>15,644</b>
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	8,542	15,644
<b>Total other non-financial assets</b>	<b>8,542</b>	<b>15,644</b>

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

### Note 7: Payables

	2010	2009
	\$	\$
<b>Note 7A: Suppliers</b>		
Trade creditors and accruals	142,014	141,696
<b>Total supplier payables</b>	<b>142,014</b>	<b>141,696</b>
Supplier payables expected to be settled within 12 months:		
Related entities	536	352
External parties	141,478	141,344
<b>Total supplier payables</b>	<b>142,014</b>	<b>141,696</b>

Settlement is usually made net 30 days

### Note 7B: Other payables

Lease incentive	431,994	503,006
Other	59,910	40,281
<b>Total other payables</b>	<b>491,904</b>	<b>543,287</b>
Other payables are represented by:		
No more than 12 months	129,537	111,294
More than 12 months	362,367	431,993
<b>Total other payables</b>	<b>491,904</b>	<b>543,297</b>

## Note 8: Provisions

### Note 8A: Employee provisions

	2010	2009
	\$	\$
Annual leave	308,092	347,305
Long service leave	444,018	393,760
Superannuation [Note 8A (i)]	147,000	840,000
<b>Total employee provisions</b>	<b>899,110</b>	<b>1,581,065</b>
Employee provisions are expected to be settled in:		
No more than 12 months	308,092	347,306
More than 12 months	591,018	1,233,760
<b>Total employee provisions</b>	<b>899,110</b>	<b>1,581,065</b>

#### Note 8A (i): Superannuation provisions

The AASB has one defined benefit fund, which requires contributions to be made to the separately administered fund. The defined benefit plan is only open to existing employees who have always been on the plan, and is not open to new employees.

The following tables summarise the components of net benefit expense recognised in the statement of comprehensive income and the funded status and amounts recognised in the balance sheet for the plan:

#### Balance sheet and profit and loss impact

As at 30 June	2010	2009
	\$	\$
Defined Benefit obligation <sup>^</sup>	2,937,000	2,866,000
(-) Fair value of AASB Plan assets	2,790,000	2,026,000
<b>Deficit/(Surplus)</b>	<b>147,000</b>	<b>840,000</b>
(-) Unrecognised past service cost		
(-) Unrecognised net (gains)/losses		
(+) Adjustment for limitation on net asset		
<b>Net superannuation liability/(asset)</b>	<b>147,000</b>	<b>840,000</b>
<sup>^</sup> includes contributions tax provision		

Financial year ending	2010	2009
	\$	\$
Service cost	116,000	118,000
Interest cost	140,000	162,000
Expected return on assets	(149,000)	(165,000)
Actuarial gains/(losses)	-	-
Past service cost	-	-
Movement in limitation on net asset	-	-
Effect of curtailments/settlements	-	-
Superannuation expense/(income)	107,000	115,000

## Actuarial (gains)/losses recognised in the statement of comprehensive income

Financial year ending	2010	2009
	\$	\$
Actuarial (gains)/losses	(219,000)	424,000

## Movement in net liability/(asset)

Financial year ending	2010	2009
	\$	\$
<b>Net superannuation liability(asset) at start of year</b>	<b>840,000</b>	500,000
(+) Expense recognised in statement of comprehensive income	<b>107,000</b>	115,000
(+) Amount recognised in retained earnings	<b>(219,000)</b>	424,000
(-) Employer contributions	<b>581,000</b>	199,000
<b>Net superannuation liability/(asset) at end of year</b>	<b>147,000</b>	840,000

## Estimate of expense for 2011

Financial year ending	2011
	\$
Service cost	100,000
Interest cost	141,000
Expected return on assets	(200,000)
Actuarial losses/(gains)	
Past service cost	
Movement in limitation on net asset	
Effect of curtailments/settlements	^
<b>Estimated superannuation expense/(income)</b>	<b>41,000</b>

^ not known until end of year

## Estimate of net liability/(asset) at 30 June 2011

Financial year ending	2011
	\$
<b>Net superannuation liability/(asset) at start of year</b>	<b>147,000</b>
(+) Estimated expense recognised in statement of comprehensive income	41,000
(+) Estimated amount recognised in retained earnings	^
(-) Estimated employer contributions	83,000
<b>Estimated net superannuation liability/(asset) at end of year</b>	<b>105,000</b>

^ not known until end of year

Reconciliation of the defined benefit obligation – para 120A(c)

<b>Financial year ending</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Present value of DBO at start of year</b>	<b>2,866,000</b>	2,826,000
(+) Current service cost	<b>116,000</b>	118,000
(+) Interest cost	<b>140,000</b>	162,000
(+) Contributions by AASB Plan members	<b>51,000</b>	91,000
(+) Actuarial (gains)/losses	<b>(148,000)</b>	(182,000)
(-) Benefits paid	-	100,000
(-) Taxes, premiums and expenses paid	<b>88,000</b>	49,000
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Past service cost	-	-
(+) Curtailments	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
<b>Present value of DBO at end of year</b>	<b>2,937,000</b>	2,866,000

Reconciliation of the fair value of AASB Plan assets – para 120A(e)

<b>Financial year ending</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Fair value of AASB Plan assets at start of year</b>	<b>2,026,000</b>	2,326,000
(+) Expected return on AASB Plan assets	<b>149,000</b>	165,000
(+) Actuarial (gains)/losses	<b>71,000</b>	(606,000)
(+) Employer Contributions	<b>581,000</b>	199,000
(+) Contributions by AASB Plan members	<b>51,000</b>	91,000
(-) Benefits paid	-	100,000
(-) Taxes, premiums and expenses paid	<b>88,000</b>	49,000
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
<b>Fair value of AASB Plan assets at end of year</b>	<b>2,790,000</b>	2,026,000

### Reconciliation of the assets and liabilities recognised in the balance sheet – para 120A(f)

<b>As at 30 June</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Defined Benefit Obligation ^	<b>2,937,000</b>	2,866,000
(-) Fair value of AASB Plan assets	<b>2,790,000</b>	2,026,000
Deficit/(surplus)	<b>147,000</b>	840,000
(-) Unrecognised past service cost	-	-
(-) Unrecognised net (gains)/losses	-	-
(+) Adjustment for limitation on net asset	-	-
<b>Net superannuation liability/(asset)</b>	<b>147,000</b>	840,000

^ includes contributions tax provision

### Expense recognised in the statement of comprehensive income – para 120A(g)

<b>Financial year ending</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Service cost	<b>116,000</b>	118,000
Interest cost	<b>140,000</b>	162,000
Expected return on assets	<b>(149,000)</b>	(165,000)
Actuarial losses/(gains)	-	-
Past service cost	-	-
Movement in limitation on net asset	-	-
Effect of curtailments/settlements	-	-
<b>Superannuation expense/(income)</b>	<b>107,000</b>	115,000

### Amounts recognised in the statement of comprehensive income – para 120A(h)

<b>Financial year ending</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Actuarial (gains)/losses	<b>(219,000)</b>	424,000
Adjustment for limitation on net asset	-	-

### Cumulative amount recognised in the statement of comprehensive income – para 120A(i)

<b>Financial year ending</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Cumulative amount of actuarial (gains)/losses	<b>425,000</b>	644,000

**AASB Plan assets – para 120A(j)**

<b>As at 30 June</b>	<b>2010</b>	2009
	%	%
Australian equities	<b>45</b>	50
International equities	<b>25</b>	27
Fixed income	<b>15</b>	10
Property	<b>9</b>	8
Alternatives/other	<b>3</b>	2
Cash	<b>3</b>	3
	<b>100%</b>	100%

**Actual return on AASB Plan assets – para 120A(m)**

<b>Financial year ending</b>	<b>2010</b>	2009
	\$	\$
Actual return on AASB Plan assets	<b>220,000</b>	(441,000)

**Principal actuarial assumptions at the balance sheet date – para 120A(n)**

<b>Financial year ending</b>	<b>2010</b>	2009
	%	%
Discount rate	<b>4.8</b>	5.1
Expected rate of return on AASB Plan assets	<b>7.0</b>	7.0
Expected salary increase rate	<b>2.5</b>	2.5

**Historical information – para 120A(p)**

<b>Financial year ending 30 June</b>	<b>2010</b>	2009	2008	2007	2006
	\$	\$	\$	\$	\$
Present value of DBO	<b>2,937,000</b>	2,866,000	2,826,000	2,586,000	2,563,000
Fair value of AASB Plan assets	<b>2,790,000</b>	2,026,000	2,326,000	2,692,000	2,461,000
Surplus/deficit in AASB Plan	<b>147,000</b>	840,000	500,000	(106,000)	102,000
<b>Experience adjustments (gains)/losses:</b>					
	<b>(71,000)</b>	606,000	683,000	(244,000)	(164,000)
<b>Experience adjustments (gains)/losses:</b>					
AASB Plan liabilities	<b>(224,000)</b>	(47,000)	74,000	170,000	(8,000)

## Expected contributions – para 120A(q)

Financial year ending	2011 \$
Expected employer contributions	83,000

## Summary of membership

As at	2010	2009
Number of active defined benefit members	6	6
Number of deferred members	-	-
Total annual salaries (\$000)	926	894

## Actuarial assumptions

As at	30 June 2010 %	30 June 2009 %	Comments
Discount rate	4.8	5.1	Based on 10-year Govt bond rate, less allowance for investment tax
Crediting rate	4.8	5.1	Equals discount rate
Salary inflation	2.5	2.5	
Expected return on assets	7.0	7.0	Based on Plan's mix of asset classes
Contributions tax rate	15	15	
Method of recognising actuarial gains and losses	Immediate recognition of actuarial gains and losses through retained earnings		
Vested benefit minimum	None	None	Not required by AASB 119

## Supplemental information:

## Service cost

Financial year ending	2010 \$	2009 \$
1. Total service cost at beginning of year	131,000	142,000
2. Interest cost for year	7,000	8,000
3. Expected contributions tax and expenses	29,000	36,000
4. Expected employee contributions	51,000	57,000
5. Expected change in contributions tax provisions	-	(11,000)
6. Current service cost (1+2+3-4+5)	116,000	118,000

### Interest cost

Financial year ending	2010	2009
	\$	\$
1. DBO at start of year ^	2,740,000	2,751,000
2. Expected distributions	-	-
3. Average DBO over year (1 + 50% x 2)	2,740,000	2,751,000
4. Discount rate	5.1%	5.9%
5. Interest cost (3 x 4)	140,000	162,000

^ before contributions tax provision

### Expected return on AASB Plan assets

Financial year ending	2010	2009
	\$	\$
1. Fair value of AASB Plan assets at start of year	2,026,000	2,326,000
2. Expected employer contributions	190,000	189,000
3. Expected employee contributions	51,000	57,000
4. Expected distributions during year	-	-
5. Expected expenses, tax and insurance premiums	29,000	36,000
6. Average expected fair value of assets (1+50% (2+3-4-5))	2,132,000	2,431,000
7. Expected rate of return on AASB Plan assets	7.0%	6.8%
8. Expected return on AASB Plan assets (6x7)	149,000	165,000

### Actuarial (gains)/losses (recognised in retained earnings)

Financial year ending	2010	2009
	\$	\$
1. Actuarial (gain)/loss on assets - experience	(71,000)	606,000
2. Actuarial (gain)/loss on DBO ^ - experience	(224,000)	(47,000)
3. Actuarial (gain)/loss on DBO ^ - change in assumptions	76,000	(135,000)
4. Total actuarial (gain)/loss (1+2+3)	(219,000)	424,000

### Calculation of total defined benefit obligation

Financial year ending	2010	2009
	\$	\$
1. Defined benefit obligation ^	2,915,000	2,740,000
2. Fair value of AASB Plan assets	(2,790,000)	(2,026,000)
3. (Deficit)/surplus (1+2)	125,000	714,000
4. Provision for contributions tax (3x15%/85%)	22,000	126,000
5. Total defined benefit obligation (1+4)	2,937,000	2,866,000

## Expected change in contributions tax provision

Financial year ending	2010	2009
	\$	\$
1. Expected defined benefit obligation at end of current year	<b>3,099,000</b>	3,063,000
2. Expected assets at end of current year	<b>(2,387,000)</b>	(2,701,000)
3. Expected provision at end of current year [(1+2)*15%/85%]	<b>126,000</b>	64,000
4. Actual provision at end of prior year	<b>126,000</b>	75,000
5. Expected change in tax provision (3-4)	-	(11,000)

## Note 8B: Other provisions

	2010	2009
	\$	\$
Leasehold restoration obligations	<b>111,843</b>	106,051
<b>Total other provisions</b>	<b>111,843</b>	106,051
Other provisions are represented by:		
More than 12 months	<b>111,843</b>	106,051
<b>Total other provisions</b>	<b>111,843</b>	106,051
	<b>Provision for restoration</b>	Provision for restoration
	<b>2010</b>	2009
<b>Carrying amount 1 July</b>	<b>106,051</b>	100,558
Unwinding of discount	<b>5,792</b>	5,493
<b>Closing balance 30 June</b>	<b>111,843</b>	106,051

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

	2010	2009
	\$	\$
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash equivalents as per:</b>		
Cash flow statement	232,672	395,549
Balance sheet	232,672	395,549
Difference	-	-
<b>Reconciliation of operating result to net cash from operating activities:</b>		
Net cost of services	(2,295,219)	(2,496,642)
Add revenue from Government	3,091,000	3,095,940
Other movement in retained surplus – superannuation actuarial gain and losses	219,000	(424,000)
<b>Adjustments for non-cash items:</b>		
Depreciation/amortisation	130,784	152,071
Lease incentive – amortisation	(71,013)	(71,013)
Unwinding of discount on provision for required restoration of premises	5,792	5,493
<b>Changes in assets/liabilities:</b>		
(Increase)/decrease in net receivables	(468,457)	47,436
(Increase)/decrease in inventories	61	86
(Increase)/decrease in prepayments	7,101	(369)
Increase/(decrease) in superannuation provision	(693,000)	340,000
Increase/(decrease) in other employee provisions	11,045	(13,987)
Increase/(decrease) in supplier payables	319	76,243
Increase/(decrease) in other payables	19,629	(14,263)
<b>Net cash from/(used by) operating activities</b>	<b>(42,958)</b>	<b>696,995</b>

## Note 10: Executive remuneration

### Note 10A: Actual remuneration paid to senior executives

	2010	2009
The number of senior executives who received:		
\$160 000 to \$174,999	1	1
\$295,000 to \$309,999	1	-
\$340,000 to \$354,999	1	1
<b>Total</b>	<b>3</b>	<b>2</b>

**Total expense recognised in relation to senior executive employment:**

	<b>2010</b>	2009
<b>Short-term employee benefits:</b>		
Salary	<b>733,069</b>	387,306
Changes in annual leave provisions	<b>(38,571)</b>	30,898
<b>Total short-term employee benefits</b>	<b>694,498</b>	418,204
<b>Long-term employee benefits:</b>		
Superannuation (post-employment benefits)	<b>100,977</b>	77,269
Changes in long-service leave provisions	<b>8,129</b>	7,985
<b>Total long-term employee benefits</b>	<b>109,106</b>	85,254
<b>Total</b>	<b>803,604</b>	503,458

**Note 10B: Actual remuneration paid to senior executives**

## Average annualised remuneration packages for substantive senior executives

	As at 30 June 2010			As at 30 June 2009		
	No. senior executives	Base salary (inc. annual leave)	Total remuneration package	No. senior executives	Base salary (inc. annual leave)	Total remuneration package
\$160,000 to \$174,999	1	141,958	162,068	1	137,823	161,793
\$295,000 to \$309,999	1	283,834	297,019	-		
\$340,000 to \$354,999	1	307,277	344,517	1	249,483	341,665

Non-salary elements available to Senior Executives include superannuation and long-service leave entitlements.

**Note 11: Remuneration of auditors**

	<b>2010</b>	2009
	<b>\$</b>	<b>\$</b>
Remuneration to the ANAO for auditing the financial statements for the reporting period		
The fair value of the services provided	<b>21,000</b>	19,000
	<b>21,000</b>	19,000

No other services were provided by the ANAO

## Note 12: Financial instruments

	2010	2009
	\$	\$
<b>Note 12A: Categories of financial instruments</b>		
<b>Financial assets</b>		
Held-to-maturity financial assets		
Cash and cash equivalents	232,672	395,549
Trade receivables	21,405	29,070
<b>Total held-to-maturity financial assets</b>	<b>254,077</b>	<b>424,619</b>
<b>Other financial assets</b>		
Appropriations receivable (for existing outputs)	4,451,529	3,990,667
<b>Total other financial assets</b>	<b>4,451,529</b>	<b>3,990,667</b>
<b>Carrying amount of financial assets</b>	<b>4,705,606</b>	<b>4,415,286</b>
<b>Financial liabilities</b>		
At amortised cost		
Trade creditors	142,014	141,695
<b>Carrying amount of financial liabilities</b>	<b>142,014</b>	<b>141,695</b>

### 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****Acquittal of authority to draw cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations**

Particulars	Drawing Outputs	
	2010	2009
	\$	\$
Balance brought forward from previous period ( <i>Appropriations Acts</i> )	<b>4,409,670</b>	-
<b>Appropriation Act:</b>		-
<i>Appropriation Act</i> (No. 1, 3 & 5) 2009-2010 as passed	<b>3,115,000</b>	1,602,300
Appropriations reduced ( <i>Appropriation Act</i> sections 10,11 & 12)	<b>(24,000)</b>	-
<i>Appropriation Act</i> (No. 3) 2008-09 as passed	-	268,640
<i>Appropriation Act</i> (No. 4) 2008-09 as passed	-	3,688,360
<b>FMA Act:</b>		
Appropriations to take account of recoverable GST ( <i>FMA Act section 30A</i> )	<b>156,328</b>	142,125
Relevant agency receipts ( <i>FMA Act section 31</i> )	<b>1,979,950</b>	1,580,987
Appropriation transferred from the Department of the Treasury ( <i>FMA Act section 32</i> )	-	1,225,000
<b>Total appropriation available for payments</b>	<b>9,636,948</b>	8,507,412
<b>Cash payments made during the year (GST inclusive)</b>	<b>4,914,049</b>	4,097,742
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations and as represented by:	<b>4,722,899</b>	4,409,670
Cash at bank and on hand	<b>232,672</b>	395,549
Departmental appropriations receivable	<b>4,451,529</b>	3,990,667
Net GST payable (to)/from ATO	<b>38,698</b>	23,454
<b>Total as at 30 June 2010</b>	<b>4,722,899</b>	4,409,670

**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 20

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, the Australian Securities Exchange and Australian State and Territory Governments.

	2010	2009
	\$	\$
Balance carried from previous period	-	-
Appropriation for reporting period (Departmental)	<b>666,000</b>	700,000
<b>Total increase</b>	<b>666,000</b>	700,000
Payments made	<b>666,000</b>	700,000
<b>Total decrease</b>	<b>666,000</b>	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	-	-
<b>Total balance carried to the next period</b>	<b>-</b>	<b>-</b>

**Office of the Australian Accounting Standards Board Services for Other Entities and Trust Moneys 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 20

Purpose: The purpose of this Special Account is to enable the Office of the AASB to manage moneys held on trust or otherwise for the benefit of a person other than the Commonwealth.

No transactions occurred in this account

## 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

#### Outcome 1

	2010	2009
	\$	\$
<b>Expenses</b>		
Departmental	4,221,490	4,011,159
<b>Total expenses</b>	<b>4,221,490</b>	<b>4,011,159</b>
Costs recovered from provision of goods and services to the non-government sector:		
Departmental	234,305	250,245
<b>Total costs recovered</b>	<b>234,305</b>	<b>250,245</b>
<b>Other external income</b>		
Departmental	1,025,965	564,271
<b>Total other external income</b>	<b>1,025,965</b>	<b>564,271</b>
<b>Net cost/(contribution) of outcome</b>	<b>2,961,219</b>	<b>3,196,643</b>

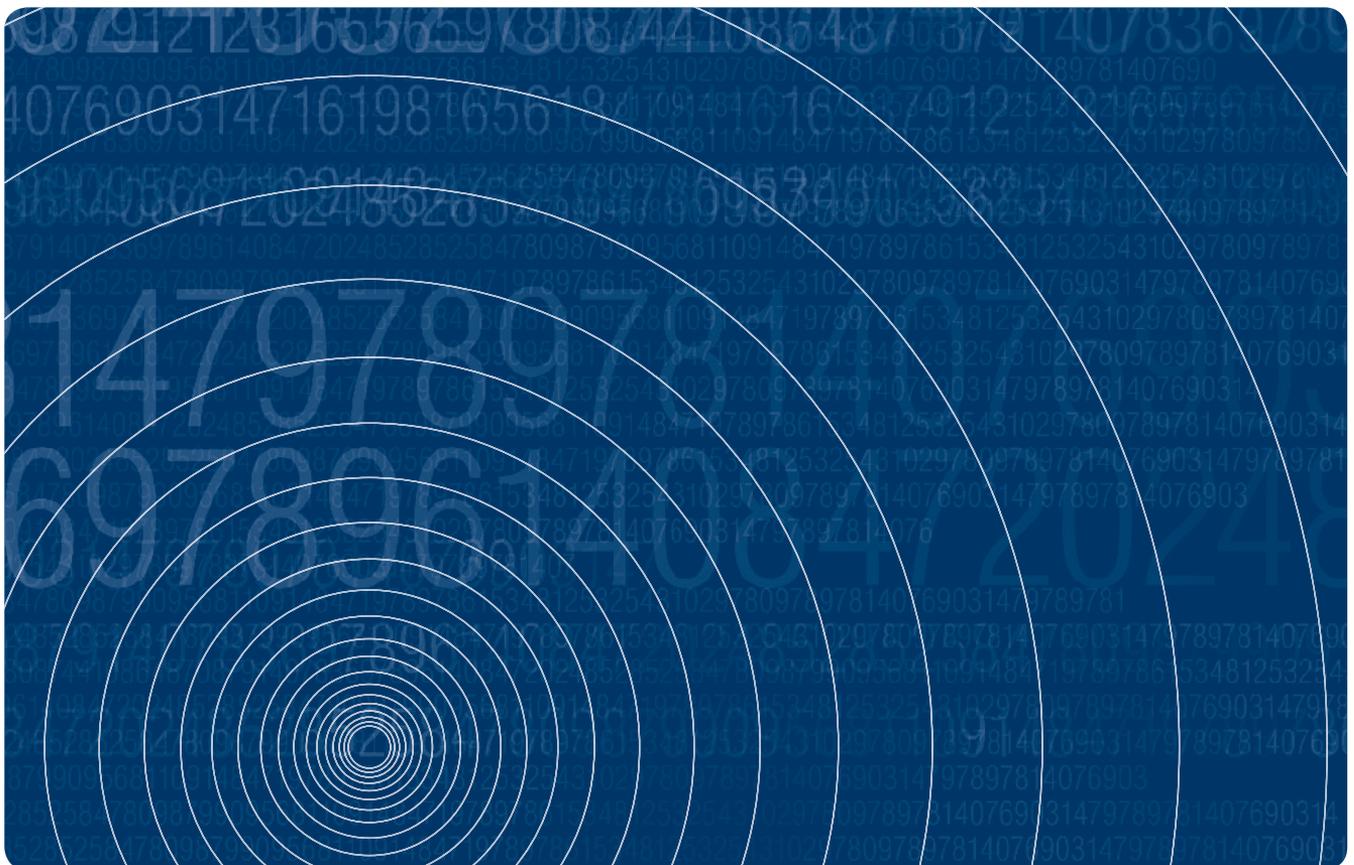
**Note 15B: Major classes of departmental income and expenses by output groups and outputs**

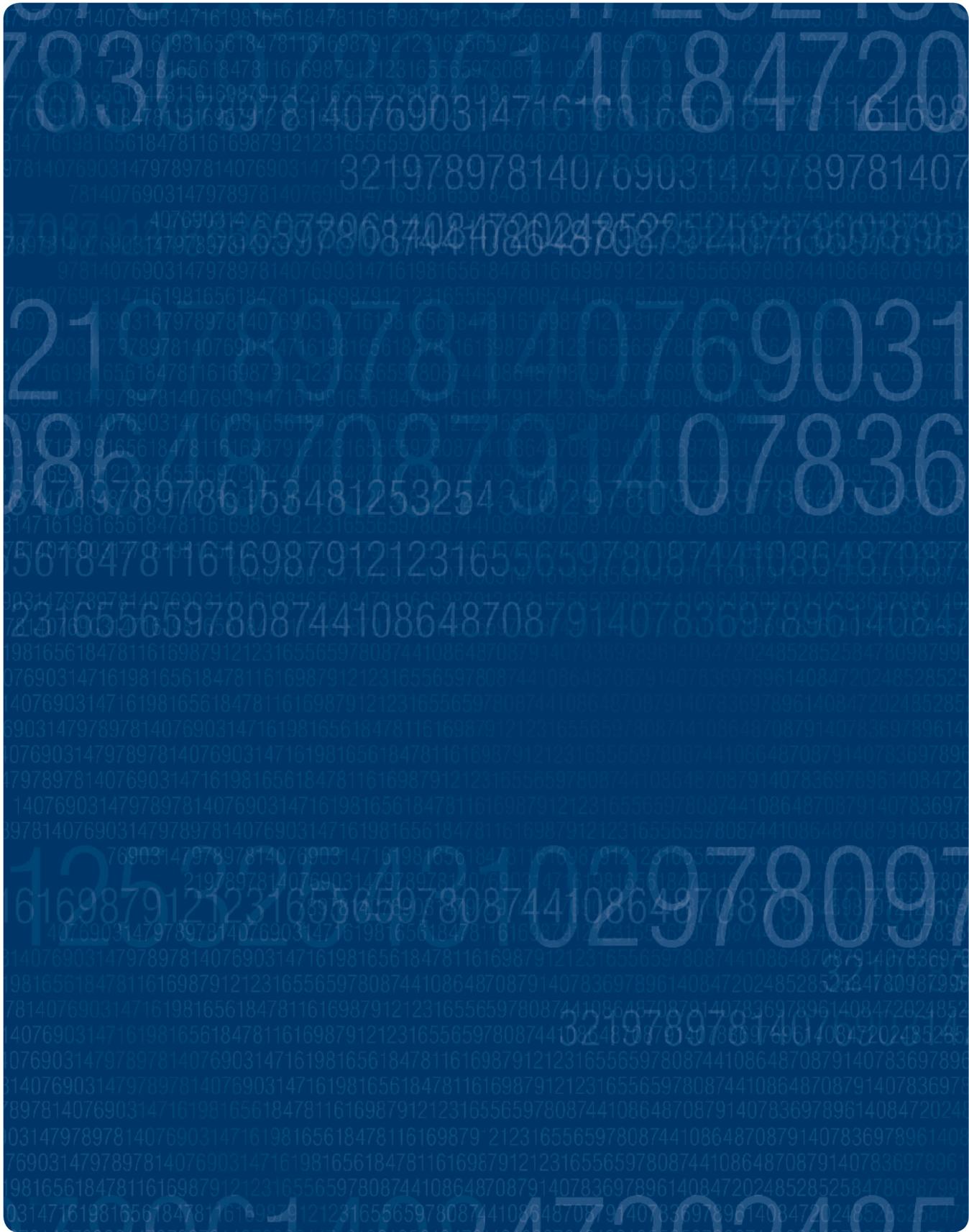
Outcome 1	Output group 1.1						Outcome 1 total	
	Output 1.1.1		Output 1.1.2		Output 1.1.3		2010	2009
	2010	2009	2010	2009	2010	2009		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Departmental expenses</b>								
Employee benefits	<b>1,012,050</b>	933,972	<b>1,012,049</b>	933,973	<b>1,012,049</b>	933,973	<b>3,036,148</b>	2,801,918
Suppliers	<b>349,588</b>	350,559	<b>349,589</b>	350,559	<b>349,589</b>	350,559	<b>1,048,766</b>	1,051,677
Depreciation and amortisation	<b>43,594</b>	50,691	<b>43,595</b>	50,690	<b>43,595</b>	50,690	<b>130,784</b>	152,071
Finance costs	<b>1,930</b>	1,831	<b>1,931</b>	1,831	<b>1,931</b>	1,831	<b>5,792</b>	5,493
<b>Total departmental expenses</b>	<b>1,407,162</b>	1,337,053	<b>1,407,164</b>	1,337,053	<b>1,407,164</b>	1,337,053	<b>4,221,490</b>	4,011,159
<b>Funded by:</b>								
<b>Departmental income</b>								
Revenue from Government	<b>1,030,334</b>	1,031,980	<b>1,030,333</b>	1,031,980	<b>1,030,333</b>	1,031,980	<b>3,091,000</b>	3,095,940
Sale of goods and rendering of services	<b>78,101</b>	83,416	<b>78,102</b>	83,415	<b>78,102</b>	83,415	<b>234,305</b>	250,246
Rental income	<b>15,821</b>	15,090	<b>15,822</b>	15,091	<b>15,822</b>	15,090	<b>47,465</b>	45,271
Other revenue	<b>541,166</b>	400,000	<b>541,167</b>	400,000	<b>541,167</b>	400,000	<b>1,623,500</b>	1,200,000
Other gains	<b>7,000</b>	6,333	<b>7,000</b>	6,333	<b>7,000</b>	6,334	<b>21,000</b>	19,000
<b>Total departmental income</b>	<b>1,672,422</b>	1,536,819	<b>1,672,424</b>	1,536,819	<b>1,672,424</b>	1,536,819	<b>5,017,270</b>	4,610,457

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

	Outcome 1	
	2010	2009
	\$	\$
<b>Departmental assets</b>		
Financial assets	<b>4,744,304</b>	4,438,723
Non-financial assets	<b>629,057</b>	647,084
<b>Total departmental assets</b>	<b>5,373,360</b>	5,085,807
<b>Departmental liabilities</b>		
Payables	<b>633,918</b>	684,983
Provisions	<b>1,010,953</b>	1,687,116
<b>Total departmental liabilities</b>	<b>1,644,871</b>	2,372,099

## Other mandatory information





## **OTHER MANDATORY INFORMATION**

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### **OCCUPATIONAL HEALTH AND SAFETY**

The 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*.

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 2009-10 financial year.

### **FREEDOM OF INFORMATION**

The AASB maintains a website, [www.aasb.gov.au](http://www.aasb.gov.au), which describes its organisation and functions, and on which its standards, interpretations, framework documents, proposed agenda decisions, exposure drafts, draft interpretations, invitations to comment, discussion papers, annual reports, all submissions and contact details are publicly available.

No matter involving freedom of information arose during the 2009-10 financial year. No applications under the *Freedom of Information Act 1982* were received by the AASB in 2009-10.

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 at the front of this report.

### **ADVERTISING AND MARKET RESEARCH**

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

### **ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE REPORTING**

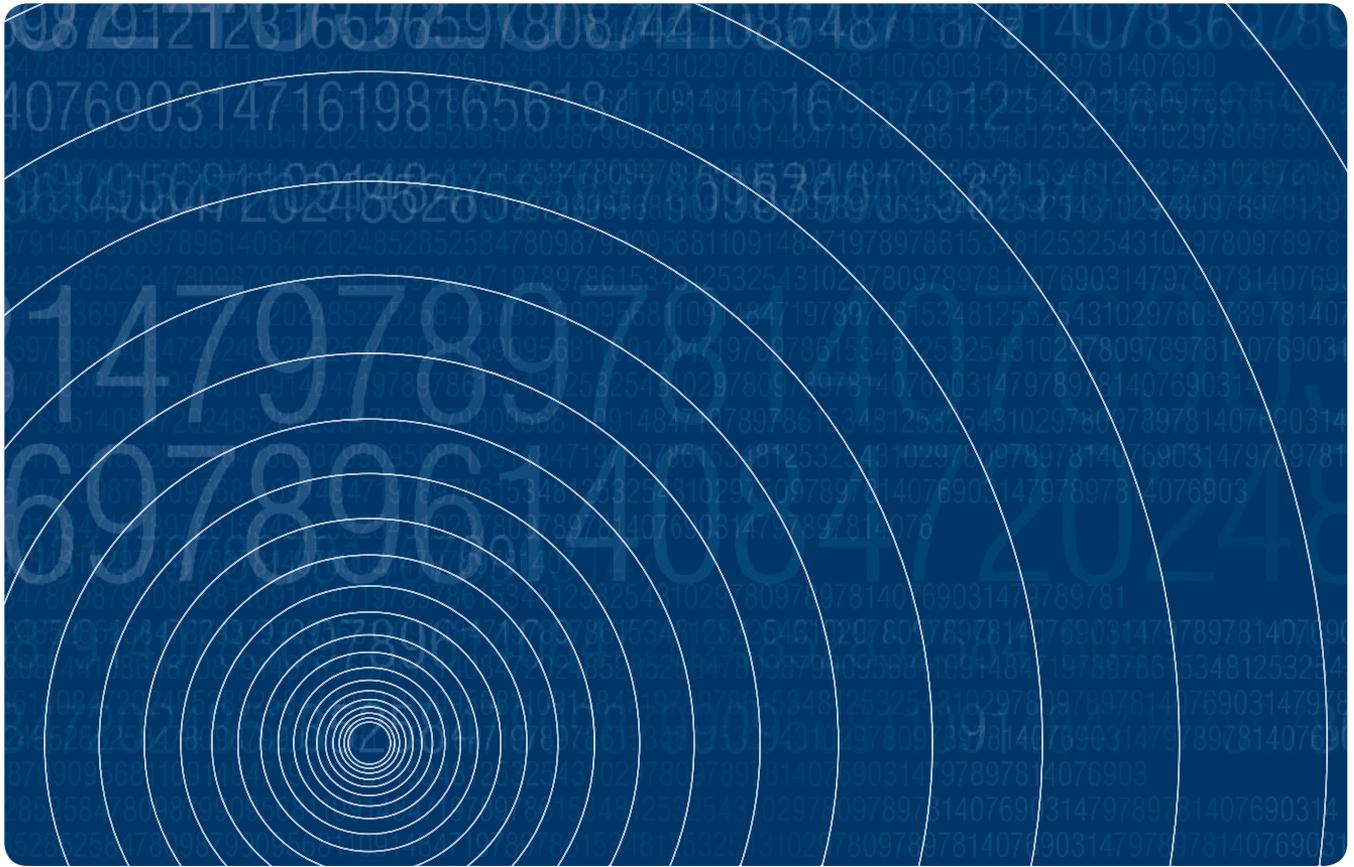
The AASB seeks to use the minimum resources necessary to perform its functions.

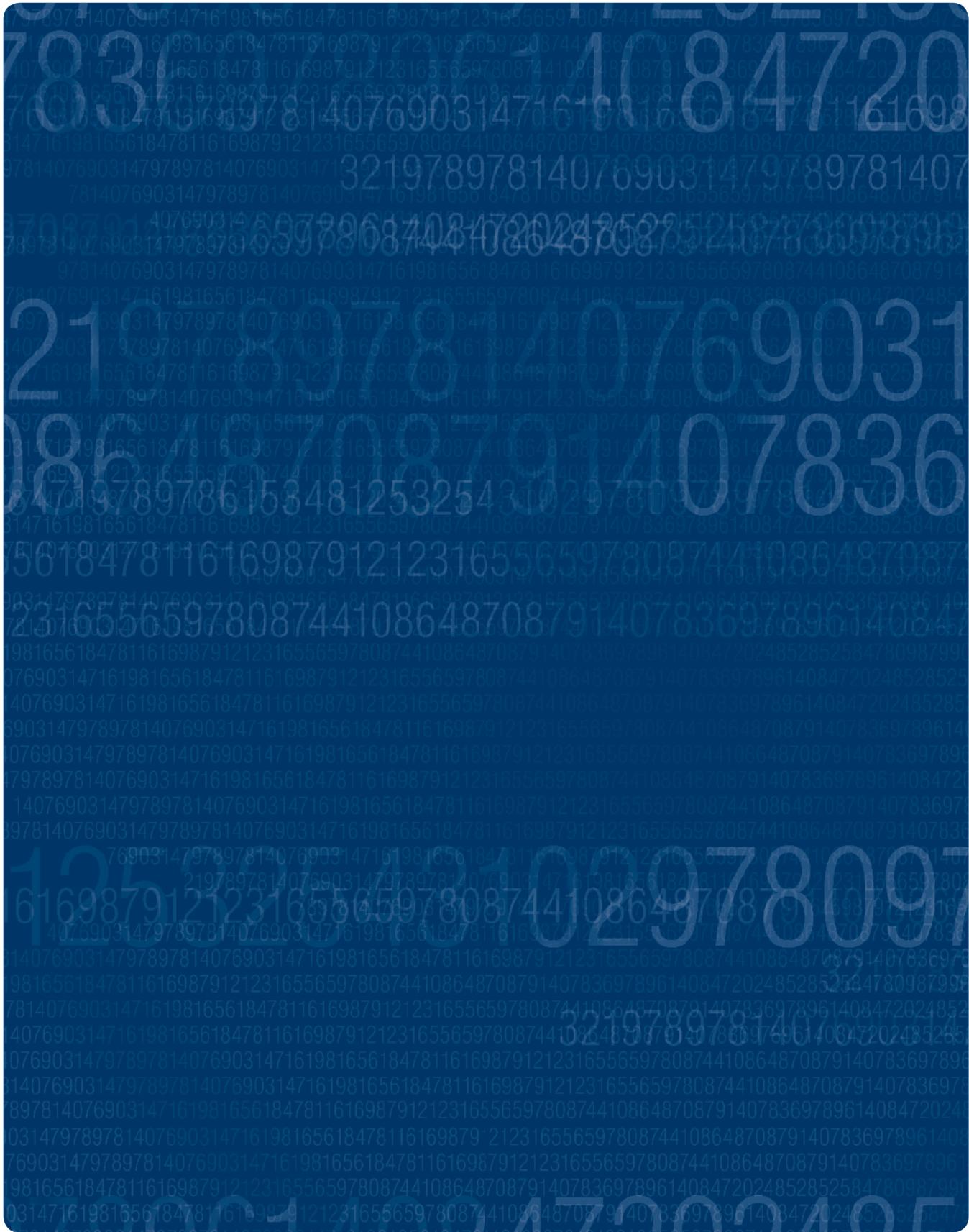
### **DISCRETIONARY GRANTS**

The AASB does not administer any discretionary grant programs.



# Appendices





## APPENDIX A

### ATTENDANCE AT AASB MEETINGS

The AASB met 10 times during 2009-10 for a total of 18 meeting days. Member attendance is shown in the table below:

<b>Members</b>	<b>Number of days eligible to attend</b>	<b>Number of days attended</b>	<b>Apologies (days)</b>
K Stevenson (Chairman)	18	16	2
B Porter (Deputy Chairman)	18	17	1
I McPhee (Deputy Chairman)	18	16	2
G Appleyard	18	16	2
V Clarke	18	16	2
S Highland	18	15	3
M Jenkin	18	16	2
J O'Grady	18	14	4
F Palmer	18	12	6
K Peach	18	18	-
J Perry	18	16	2
B Rix	18	15	3
R Williams	18	18	-



## APPENDIX B

# PRONOUNCEMENTS (30 JUNE 2010)

## Conceptual framework documents

Statement	Title	Issue date
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

Standard	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	5/09
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 9	<i>Financial Instruments</i>	(beginning) 1 January 2013	12/09
AASB 101	<i>Presentation of Financial Statements</i>	(beginning) 1 January 2005	7/04

<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
AASB 101	<i>Presentation of Financial Statements</i> (revised)	(beginning) 1 January 2007	10/06
AASB 101	<i>Presentation of Financial Statements</i> (revised)	(beginning) 1 January 2009	9/07
AASB 102	<i>Inventories</i>	(beginning) 1 January 2005	7/04
AASB 107	<i>Cash Flow Statements</i> (now titled <i>Statement of Cash Flows</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> (now titled <i>Events after the Reporting Period</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> (superseded by AASB 8)	(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 2005	7/04
AASB 119	<i>Employee Benefits</i> (revised)	(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> (revised)	(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> (revised)	(ending) 31 December 2005	12/05
AASB 124	<i>Related Party Disclosures</i> (revised)	(beginning) 1 January 2011	12/09
AASB 127	<i>Consolidated and Separate Financial Statements</i>	(beginning) 1 January 2005	7/04
AASB 127	<i>Consolidated and Separate Financial Statements</i> (revised)	(beginning) 1 July 2009	3/08
AASB 128	<i>Investments in Associates</i>	(beginning) 1 January 2005	7/04

<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
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> (superseded by AASB 7)	(beginning) 1 January 2005	7/04
AASB 131	<i>Interests in Joint Ventures</i>	(beginning) 1 January 2005	7/04
AASB 132	<i>Financial Instruments: Disclosure and Presentation</i> (now titled <i>Financial Instruments: 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 January 2005	7/04
AASB 1004	<i>Contributions</i> (revised)	(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) 31 December 2005	4/05
AASB 1039	<i>Concise Financial Reports</i> (revised)	(beginning) 1 January 2009	8/08
AASB 1048	<i>Interpretation and Application of Standards</i>	(beginning) 1 January 2005	7/04
AASB 1048	<i>Interpretation and Application of Standards</i> (revised)	(ending) 30 September 2008	9/08
AASB 1048	<i>Interpretation and Application of Standards</i> (revised)	(ending) 31 March 2009	3/09
AASB 1048	<i>Interpretation of Standards</i> (revised)	(ending) 30 June 2010	6/10
AASB 1049	<i>Financial Reporting of General Government Sectors by Government</i>	(beginning) 1 July 2008	9/06

<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
AASB 1049	<i>Whole of Government and General Government Sector Financial Reporting</i> (revised)	(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 1053	<i>Application of Tiers of Australian Accounting Standards</i>	(beginning) 1 July 2013	6/10
AASB 2004-1	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 116, AASB 138]	(beginning) 1 January 2005	12/04
AASB 2004-2	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 121, AASB 131, AASB 134, AASB 139, AASB 141]	(beginning) 1 January 2005	12/04
AASB 2004-3	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 101, AASB 124]	(beginning) 1 January 2006	12/04
AASB 2005-1	<i>Amendments to Australian Accounting Standard</i> [AASB 139]	(beginning) 1 January 2006	5/05
AASB 2005-2	<i>Amendments to Australian Accounting Standard</i> [AASB 1023]	(beginning) 1 January 2005	6/05
AASB 2005-3	<i>Amendments to Australian Accounting Standards</i> [AASB 119]	(ending) 31 December 2005	6/05
AASB 2005-4	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 132, AASB 139, AASB 1023, AASB 1038]	(beginning) 1 January 2006	6/05
AASB 2005-5	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 139]	(beginning) 1 January 2006	6/05
AASB 2005-6	<i>Amendments to Australian Accounting Standards</i> [AASB 3]	(beginning) 1 January 2006	6/05
AASB 2005-7	<i>Amendments to Australian Accounting Standards</i> [AASB 134]	(ending) 30 June 2005	6/05
AASB 2005-8	<i>Amendments to Australian Accounting Standards</i> [AASB 1]	(beginning) 1 January 2006	6/05
AASB 2005-9	<i>Amendments to Australian Accounting Standards</i> [AASB 4, AASB 1023, AASB 132, AASB 139]	(beginning) 1 January 2006	9/05
AASB 2005-10	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 4, AASB 1023, AASB 1038, AASB 101, AASB 114, AASB 117, AASB 132, AASB 133, AASB 139]	(beginning) 1 January 2007	9/05
AASB 2005-11	<i>Amendments to Australian Accounting Standards</i> [AASB 101, AASB 112, AASB 132, AASB 133, AASB 139, AASB 141]	(ending) 31 December 2005	9/05
AASB 2005-12	<i>Amendments to Australian Accounting Standards</i> [AASB 1023, AASB 1038]	(ending) 31 December 2005	12/05
AASB 2005-13	<i>Amendments to Australian Accounting Standards</i> [AAS 25]	(ending) 31 December 2005	12/05
AASB 2006-1	<i>Amendments to Australian Accounting Standards</i> [AASB 121]	(ending) 31 December 2006	1/06

<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
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 AASB Interpretation 11 [AASB 2]</i>	(beginning) 1 March 2007	2/07
AASB 2007-2	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131, 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, 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, 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, Interpretations 1, 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, 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 the Review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AAS 127, AASB 137]</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 Payments: Vesting Conditions and Cancellations [AASB 2]</i>	(beginning) 1 January 2009	2/08

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 2008-2	<i>Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations arising on Liquidation</i> [AASB 7, AASB 101, AASB 132, AASB 139, Interpretation 2]	(beginning) 1 January 2009	3/08
AASB 2008-3	<i>Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127</i> [AASB 1, AASB 2, AASB 4, AASB 5, AASB 7, AASB 101, AASB 107, AASB 112, AASB 114, AASB 116, AASB 121, AASB 128, AASB 131, AASB 132, AASB 133, AASB 134, AASB 136, AASB 137, AASB 138, AASB 139, Interpretation 9, Interpretation 107]	(beginning) 1 July 2009	3/08
AASB 2008-4	<i>Amendments to Australian Accounting Standard — Key Management Personnel Disclosures by Disclosing Entities</i> [AASB 124]	(beginning) 1 January 2009	6/08
AASB 2008-5	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 5, 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]	(beginning) 1 January 2009	7/08
AASB 2008-6	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 1, AASB 5]	(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</i> [AASB 1, AASB 118, AASB 121, AASB 127, AASB 136]	(beginning) 1 January 2009	7/08
AASB 2008-8	<i>Amendments to Australian Accounting Standards — Eligible Hedged Items</i> [AASB 139]	(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</i> [AASB 7, AASB 139]	(ending) 1 July 2008	10/08
AASB 2008-11	<i>Amendments to Australian Accounting Standards — Business Combinations Among Not-for-Profit Entities</i> [AASB 3]	(beginning) 1 July 2009	11/08
AASB 2008-12	<i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets — Effective Date and Transition</i> [AASB 7, AASB 139, AASB 2008-10]	(ending) 1 July 2008	12/08
AASB 2008-13	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners</i> [AASB 5, AASB 110]	(beginning) 1 July 2009	12/08

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 2009-1	<i>Amendments to Australian Accounting Standards — Borrowing Costs of Not-for-Profit Public Sector Entities</i> [AASB 1, AASB 111, AASB 123]	(beginning) 1 January 2009	4/09
AASB 2009-2	<i>Amendments to Australian Accounting Standards — Improving Disclosures about Financial Instruments</i> [AASB 4, AASB 7, AASB 1023, AASB 1038]	(beginning) 1 January 2009	4/09
AASB 2009-3	<i>Amendments to Australian Accounting Standards — Embedded Derivatives</i> [AASB 139, Interpretation 9]	(ending) 30 June 2009	4/09
AASB 2009-4	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 2, AASB 138, Interpretation 9, Interpretation 16]	(beginning) 1 July 2009	5/09
AASB 2009-5	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 5, AASB 8, AASB 101, AASB 107, AASB 117, AASB 118, AASB 136, AASB 139]	(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</i> [AASB 5, AASB 7, AASB 107, AASB 112, AASB 136, AASB 139, Interpretation 17]	(beginning) 1 July 2009	6/09
AASB 2009-8	<i>Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions</i> [AASB 2]	(beginning) 1 January 2010	7/09
AASB 2009-9	<i>Amendments to Australian Accounting Standards — Additional exemptions for First-time Adopters</i> [AASB 1]	(beginning) 1 January 2010	9/09
AASB 2009-10	<i>Amendments to Australian Accounting Standards — Classification of Rights Issues</i> [AASB 132]	(beginning) 1 February 2010	10/09
AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i> [AASB 1, AASB 3, AASB 4, AASB 5, AASB 7, AASB 101, AASB 102, AASB 108, AASB 112, AASB 118, AASB 121, AASB 127, AASB 128, AASB 131, AASB 132, AASB 136, AASB 139, AASB 1023, AASB 1038, Interpretation 10, Interpretation 12]	(beginning) 1 January 2010	12/09
AASB 2009-12	<i>Amendments to Australian Accounting Standards</i> [AASB 5, AASB 8, AASB 108, AASB 110, AASB 112, AASB 119, AASB 133, AASB 137, AASB 1023, AASB 1031, Interpretation 2, Interpretation 4, Interpretation 16, Interpretation 1039, Interpretation 1052]	(beginning) 1 January 2011	12/09
AASB 2009-13	<i>Amendments to Australian Accounting Standards arising from Interpretation 19</i> [AASB 1]	(beginning) 1 July 2010	12/09
AASB 2009-14	<i>Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement</i> [Interpretation 14]	(beginning) 1 January 2011	12/09

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 2010-1	<i>Amendments to Australian Accounting Standards — Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters</i> [AASB 1, AASB 7]	(beginning) 1 July 2010	2/10
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	(beginning) 1 July 2013	6/10
AASB 2010-3	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132, AASB 139]	(beginning) 1 July 2010	6/10
AASB 2010-4	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 1, AASB 7, AASB 101, AASB 134, Interpretation 13]	(beginning) 1 January 2011	6/10

### AAS series

Standard	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 IFRS 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</i> (revised)	(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> (superseded by AASB 2)	(beginning) 1 May 2006	3/06
9	<i>Reassessment of Embedded Derivatives</i>	(beginning) 1 June 2006	4/06

Interpretation	Title	Application date (annual reporting periods)	Issue date
10	<i>Interim Financial Reporting and Impairment</i>	(beginning) 1 November 2006	9/06
11	<i>AASB 2 — Group and Treasury Share Transactions</i> (superseded by AASB 2)	(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	8/07
14	<i>AASB 119 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	(beginning) 1 January 2008	8/07
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>	(ending) 1 July 2009	3/09
19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>	(beginning) 1 July 2010	12/09
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>Disclosure – Service Concession Arrangements</i>	(beginning) 1 January 2005	7/04
129	<i>Service Concession Arrangements: Disclosures</i> (revised)	(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> (superseded by AASB 3)	(ending) 31 December 2005	7/05
1002	<i>Post-Date-of-Transition Stapling Arrangements</i> (superseded by AASB 3)	(ending) 31 December 2005	12/05
1003	<i>Australian Petroleum Resource Rent Tax</i>	(ending) 30 June 2008	11/07
1013	<i>Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements</i> (superseded by AASB 3)	(ending) 31 December 2005	4/05
1017	<i>Developer and Customer Contributions for Connection to a Price-Regulated Network</i> (superseded by Interpretation 18)	(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</i> (revised)	(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

### 2010-11 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 Standard-Setters Group
FASB	Financial Accounting Standards Board – USA
FRC	Financial Reporting Council
FRSB	Financial Reporting Standards Board – NZ
IASB	International Accounting Standards Board
IPSASB	International Public Sector Accounting Standards Board
NSS	National Standard Setters
SAC	Standards Advisory Council
Subc	subcommittee
TBD	To be determined
WG	working group
WSS	World Standard Setters
#	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 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
<b><u>Domestic not-for-profit and public sector</u></b>							
1	GAAP/GFS harmonisation — entities within the GGS	H	AASBs 101 & 107 ED 174 & Supplement Progress report to FRC	IPs	Board consider draft ED		TBD
2	GAAP/GFS harmonisation — post-implementation review of AASB 1049	H	AASB 1049	ED	Std(r)		
3	Disclosures by private sector not-for-profit entities – joint with NZ FRSB	H	NZ TPA-9 Issues papers	IP	IP	IP	ED on service performance reporting TBD
4	Borrowing costs	H	AASBs 123 & 2009-1	Participate in any NZ FRSB work on DRC & monitor IPSASB	Decide on longer-term approach	NA	
5	Emissions trading scheme (govt perspective)	H	Monitor research re IASB project Presentation from constituents	Continue liaison with constituents			Pending outcome of consultation
6	Defining the reporting entity in the public sector (including consideration of the concept of control)	H	AASB 127 AASBs 3 & 2008-11 AASB 1050 Project plan	Phase 1 IP		Phase 2 IP	Phase 3+ TBD
7	Related party disclosures in not-for-profit public sector entities	H	Project plan	IP	Std(r)		
8	Disaggregated disclosures	H	AASB 1052				NA

**Table 1: Active projects (continued)**

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
<b><u>Other domestic</u></b>							
9 Superannuation plans	H	AAS 25 ED 179 Collation of comments	Draft Std(r)	Std(r)			
10 Differential reporting/ Reduced disclosure regime – stage 2	H	AASB 1053 AASB 2010-2	Research and consultation				TBD
11 Review of SAC 1 and SAC 2	L	SAC 1 & SAC 2		IP			NA
12 Compilations	H	Amending standards					Ongoing
13 Review of AASB Policy Statements	L	PS1-PS4 Draft revised <i>AASB Policies and Processes</i>	Policy statement (r)				To be amended ongoing as required
<b><u>IASB financial crisis related projects</u></b>							
14 Consolidation – replacement of IAS 27	H	AASB 127 ED 171 (IASB ED) Comments on IASB ED		Std			
15 Consolidation – disclosures about unconsolidated SPEs/structured entities	H	Interpretation 12 ED 171 (IASB ED) Comments on IASB ED		Std			
16 Consolidation – investment companies	H	AASB 127		ED	Comment on IASB ED	Std	Q2 2011
17 Derecognition – disclosures	H	AASBs 7 & 139 ED 177 (IASB ED) Comments on IASB ED	Std				

**Table 1: Active projects (continued)**

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
18 Fair value measurement – guidance	H	IASB DP and ED 181(IASB ED) Comments on IASB ED			Std		
19 Fair value measurement – measurement uncertainty analysis disclosure for fair value	H	ED 199 (IASB ED)	Comment on IASB ED		Std		
20 Financial instruments – classification and measurement – financial liabilities	H	AASB 139 & 9 AASB Roundtables ED 196 (IASB ED) Draft AASB comments on IASB ED Draft AOSSG comments on IASB ED				Std	Q2 2011
21 Financial instruments – impairment	H	AASB 139 IASB Request for Information AASB comments on Request for Information ED 189 (IASB ED) AASB comments on IASB ED AOSSG comments on IASB ED				Std	Q2 2011
22 Financial instruments – hedge accounting	H	AASB 139	ED	Comment on IASB ED		Std	Q2 2011
23 Financial instruments – asset and liability offsetting	H	AASB 132		ED	Comment on IASB ED	Std	Q2 2011

**Table 1: Active projects (continued)**

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
<b><u>IASB memorandum of understanding projects</u></b>							
24 Financial statement presentation – discontinued operations	M	AASB 5 ED 167 (IASB ED) Comments on IASB ED			ED	Comment on IASB ED	TBD
25 Financial statement presentation – presentation of items of other comprehensive income	M	AASB 101 ITC 19 (IASB DP) Comments on IASB DP ED 197 (IASB ED)	Comment on IASB ED	Std			
26 Financial statement presentation – replacement of IAS 1 and IAS 7	M	AASB 101 & 107 ITC 19 (IASB DP) Comments on IASB DP IASB/FASB staff draft ED			ED	Comment on IASB ED	TBD
27 Financial instruments with characteristics of equity	L	AASB 132 IASB DP Comments on IASB DP			ED	Comment on IASB ED	TBD
28 Income taxes	M	AASB 112 ED 178 (IASB ED) Comments on IASB ED		ED	Comment on IASB ED	Std	Q2 2011
29 Joint ventures	L	AASB 131 ED 157 (IASB ED) Comments on IASB ED	Std				

**Table 1: Active projects (continued)**

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
30 Leases	H	AASB 117 ITC 20 (IASB DP) Comments on IASB DP	ED	Comment on IASB ED		Std	Q2 2011
31 Post-employment benefits – defined benefit plans	M	AASB 119 IASB DP ED 195 (IASB ED)	Comment on IASB ED		Std		
32 Post-employment benefits – termination benefits	L	AASB 119	Std				
33 Revenue recognition	L	AASB 118 ITC 18 (IASB DP) Comments on IASB DP Workshops ED 198 (IASB ED)		Comment on IASB ED		Std	Q2 2011
<b><u>IASB other projects</u></b>							
34 Extractive activities	M	AASB 6 ITC 23 (IASB DP)	Comment on IASB DP			IASB Agenda decision	Q2 2011 (IASB agenda decision)
35 Insurance contracts	H	AASB 4 AASB 1023 AASB 1038 ITC 13 (IASB DP)	ED	Comment on IASB ED		Std	Q2 2011
36 Liabilities (IAS 37 amendments)	H	AASBs 119 and 137 ED 140 & ED 191 (IASB EDs) Comments on IASB EDs				Std	Q2 2011

**Table 1: Active projects (continued)**

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
<b><u>IASB conceptual framework</u></b>							
37 Conceptual framework – Phase A: objective and qualitative characteristics	M	Framework ITC 11 (IASB DP) ED 164 (IASB ED) Comments on IASB ED Framework	Final chapter	AASB consider NFP implications			NA
38 Conceptual framework – Phase B: elements and recognition	M						TBD
39 Conceptual framework – Phase C: measurement	M	Framework			ITC (IASB DP)	Comment on IASB DP	NA
40 Conceptual framework – Phase D: reporting entity	M	Framework ITC 17 (IASB DP) ED 193 (IASB ED)	Comment on IASB ED	Final chapter			
41 Actively monitor IFRS implementation	H	Relevant standards					Ongoing
<b><u>IPSASB convergence</u></b>							
42 Conceptual framework – public sector perspectives	H	Part of IPSASB Advisory panel Member of NSS-4 monitoring group re IASB CF IPSASB CP (Phase 1) Comments on IPSASB CP	Staff continue to comment on draft IPSASB CPs (Phases 2-4)				NA
43 Service concession arrangements: grantor	H	Interpretation 12 ED 194 (including IPSASB ED) Comments on IPSASB ED	Monitor IPSASB				NA

**Table 1: Active projects (continued)**

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
<b><u>Other international</u></b>							
44	Long-term sustainability	H	AASB 137 ITC 22 (IPSASB CP) Comments on IPSASB CP	Monitor IPSASB			NA
45	Income from non-exchange transactions (with NZ)	H	AASBs 1004, 120 & 118 ED 180 Collation of comments	ED(r)		Std	Q2 2011
46	NZ convergence – for-profit entities	M	Both jurisdictions converging with IASB GAAP ITC 14 Roundtables ED 200A, 200B		Stds(r)		
47	NFP criteria/NZ convergence – NFP entities		Both jurisdictions converging with IASB GAAP ITC 14 Roundtables Process for Modifying IFRSs for PBE/NFP	ED re convergence			Process to be amended ongoing as required
48	Conceptual framework – NFP entity perspectives	M	Part of NSS 4/I PSASB WG IP				NA

**Table 1: Active projects (continued)**

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
49 Intangible assets	L	AASBs 138 & 3 NSS project team AASB staff DP AASB comments to NSS on DP Project plan for post-implementation review of initial accounting for intangible assets under IFRS Draft survey instrument	Distribute survey				NA
<b><u>Interpretations</u></b>							
50 Managed investment schemes (related party disclosures)	H	AASB 124 Referred to IFRIC Report to Treasury Presentation of key management personnel issue to NSS meeting Referred to IASB jointly with FRSB and with NSS support	Follow up with IASB				NA

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

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
<b><u>Domestic not-for-profit and public sector</u></b>							
1	H	AASB 1052				IP	
Performance indicators [public sector] (including gaps in GAAP no. 32 non-financial performance indicators, and consider NZ approach to Statement of Service Performance and IPSASB's future proposals on reporting of service performance information)							
2	M	AASB 1049				IP and ED	
Budget reporting beyond GGS and WoG (gaps in GAAP no. 26)							
3	L					IP	
Measurement of contributions by owners							
4	L	Interpretation 1038				Interp (r)	
Review of Interpretation 1038 <i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i>							
5	L	AASB 1004				ED	
Compliance with parliamentary appropriations and other externally imposed requirements							
6	L	NZ FRS 39				IP	
Summary financial reports and MD&A							
7	L	AASB 139 IP		Liaison with constituents			NA
Currency (notes and coins) on issue							

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

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
8 Other gaps in GAAP for public sector NFP entities	L	Various Stds IP Correspondence from ACAG & HoTARAC	Board deliberation			Consult key constituents IPs on selected topics	
<b><u>Other domestic</u></b>							
9 Review of Interpretations	L	Various Interpretations					
<b><u>IASB other projects</u></b>							
10 Emissions trading schemes	L	Monitoring/research re IASB project				ED	
11 Annual improvements 2009-2011	L			ED		Std	Q2 2011
12 Management commentary	L	AASB 1039 para 24 ED 183 (IASB ED) Comments on IASB ED			Completed Guidance		
13 Rate-regulated activities	L	Framework ED 185 (IASB ED) Comments on IASB ED				Std	Q2 2011
<b><u>IPSASB convergence</u></b>							
14 Heritage assets	L	AASB 116 IPSASB CP – further work deferred	Monitor IPSASB				NA
15 Financial instruments (IPSASB convergence with IFRS 7, IAS 32 & IAS 39)	L	AASBs 7, 132, 139 IPSASs 28-30		Consider suitability of IPSASB changes from IFRS			NA
16 Entity combinations	M	AASB 3 No IPSAS resulted from IPSASB ED 41	Monitor IPSASB				NA

**Table 3: Agenda decisions to be made**

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
<b><u>Domestic not-for-profit and public sector</u></b>							
1	Consolidation of for-profit entities into NFP groups						Staff article (Dec 2008)
2	Identifying cash generating units						AASB 136
3	Intangible assets established by governments (eg spectrum rights.						AASB 138 IPSAS 31
4	Current cost accounting for infrastructure assets						AASB 116
5	Complexity of financial instruments disclosures						AASB 139
6	GAAP/GFS interim reporting						AASB 134
<b><u>Other domestic</u></b>							
7	Prospective information (ex post & ex ante reporting, including prospectuses under Corp Act)						
8	Disclosures framework						Monitoring FASB/IASB work

**Table 4: Other staff activities**

Project	Priority	Status	Q3 2010	Q4 2010	Q1 2011	Q2 2011 plus	Estimated completion date
1. Monitor IASB projects	H	Ongoing					Ongoing
2. Monitor IFRIC and support Australian representative (including briefings)	H	Ongoing					Ongoing
3. Monitor IPSASB and support Australian representative (including briefings)	H	Ongoing	IPSASB meeting	IPSASB meeting	IPSASB meeting	IPSASB meeting	Ongoing
4. Participation in/support of other international activities (eg NSS, WSS, SAC, AOSSG)	H	Ongoing	NSS meeting/AOSSG meeting	SAC meeting	SAC meeting/NSS meeting	SAC meeting	Ongoing
5. Presentations/liaison with constituents	H	Ongoing					Ongoing
6. Monitor GFS developments	L	ABS GFS Manual					Ongoing
7. Respond to technical queries, write articles	M	As required					Ongoing
8. Board administration	H	As required					Ongoing
9. FRL/website	H	As required					Ongoing
10. Standard Business Reporting, including XBRL issues (assisting with SBR certification)	H	As required					Ongoing
11. AOSSG website Working Group	H	Draft website	Working group meeting AOSSG meeting				Ongoing

