

## **EXTRACT FROM MINUTES: AASB 14-15 JULY 2004 MEETING**

### **ATTENDANCE**

Members present        David Boymal (Chairman)  
                                 Garth Campbell-Cowan – Day 2 except from 1:45 p.m. to 3:45 p.m.  
                                 Bryce Denison  
                                 Judith Downes – Day 2 except from 8:30 a.m. to 11:40 a.m.  
                                 Brett Kaufmann  
                                 Ken Leo  
                                 Ruth Picker – Day 2 except from 8:30 a.m. to 11:30 a.m.

In attendance         Joanna Perry (FRSB – NZ) Day 2 only

#### **Heads of Treasuries** (Agenda item 1 – Day 1)

Dr Ken Henry, Secretary to the Treasury, Australian Government Treasury  
Mr Gerard Bradley, Under Treasurer, Queensland Treasury  
Mr Don Challen, Secretary, Department of Treasury and Finance, Tasmania  
Mr John Langoulant, Under Treasurer, State Treasury, WA  
Mr Ian Little, Secretary, Department of Treasury and Finance, Victoria  
Mr John Pierce, Secretary, New South Wales Treasury  
Dr Ian Watt, Secretary, Australian Government Department of Finance and Administration  
Mr Andrew Weeks, Acting Under Treasurer, Department of Treasury, ACT  
Mr Jim Wright, Under Treasurer, Department of Treasury and Finance, SA

Apologies             Glenn Appleyard  
                                 Garth Campbell-Cowan – Day 2 from 1:45 p.m. to 3:45 p.m.  
                                 Wayne Cameron  
                                 Judith Downes – Day 2 from 8:30 a.m. to 11:40 a.m.  
                                 Steve McClintock  
                                 Ruth Picker – Day 1 and from 8:30 a.m. to 11:30 a.m. Day 2  
                                 Alice Williams  
                                 Warren McGregor (IASB Liaison – member)

### **LIAISON MEETING WITH HEADS OF TREASURIES**

Agenda item 1

Members of the Board who were present discussed the status of the AASB's work on implementing the FRC's directives in respect of adoption of IASB Standards for 2005 and the harmonisation of general purpose financial reports and Government Finance Statistics (GAAP-GFS). The Board's progress and plans and alternative approaches to achieving the FRC's GAAP-GFS directive and whether industry specific standards are desirable to deal with public sector specific issues were discussed.

### **CHAIRMAN'S REPORT**

Agenda item 3

The Board had before it:

- (a) FRSB Developments (New Zealand) 15 June 2004 (Agenda paper 3.1);
- (b) a letter from David Boymal, Chairman AASB, to Technical Director PSC, dated 28 June 2004 re: Invitation to Comment *Revenue from Non-Exchange Transactions* (including Taxes and Transfers) (Agenda paper 3.2);

- (c) a letter from Graham Rogers, President, Institute of Actuaries in Australia' to David Boymal, Chairman AASB, dated 28 June 2004 re: Discount rates under AASB 1038 (and AASB 1023) and AASB 119 (Agenda paper 3.3);
- (d) a letter from John Stanhope, National President, Group of 100, to David Boymal, Chairman AASB, dated 28 June 2004 re: AASB 1039 *Concise Financial Reports* (Agenda paper 3.4);
- (e) a letter from David Boymal, Chairman AASB, to David Tweedie, Chairman IASB, dated 21 June 2004, and e-mail responses from Warren McGregor, IASB member, dated 2 July and 6 July 2004 (Agenda paper 3.5 – tabled);
- (f) a letter from Richard Gilbert, Chief Executive Officer, Investment and Financial Services Association, to David Boymal, Chairman AASB, dated 13 July 2004 re: submission in relation to AASB 1046 *Director and Executive Disclosures by Disclosing Entities* (Agenda paper 3.6 – tabled);
- (g) e-mail correspondence between David Boymal, Chairman AASB and Warren McGregor, IASB member, dated 13 July 2004 re: IASB Stable Platform (Agenda paper 3.7 – tabled).

The Chairman informed members:

- (a) the discussion between representatives from Heads of Treasuries and some members of the Board dealt with the status and alternative approaches to the GAAP-GFS harmonisation project and the desirability of an industry specific accounting standard for the general government sector;
- (b) concerns of the FRC about the status of extractive industries accounting in respect of 2005 were conveyed to the IASB. The Chairman advised members that the IASB has acknowledged the nature of the issue for Australian entities and has decided to amend its approach so that the impairment test does not thwart the grandfathering available to miners and explorers, so that national GAAPs, including the Australian area of interest method, are retained for 2005;
- (c) concerns by IFSA in relation to the Board's media release of 21 June 2004 clarifying that managed investment schemes (MIS) are within the scope of AASB 1046 *Director and Executive Disclosures*. Members, while sympathetic to the problems arising for IFSA members were of the view that, even if they were in favour of exempting MIS that are disclosing entities, such a change would need to be subject to the due process of consultation. The Chairman informed members of his discussions with ASIC regarding the possibility of relief from the requirements and that such relief was unlikely to occur. Members present agreed that the issues should be discussed in public session when a quorum of members is present (see Agenda item 18); and
- (d) of draft working papers received from PricewaterhouseCoopers indicating the outcomes of a review of the Pending Standards. The Chairman advised members that many of the items identified in the drafts are already reflected in the draft Standards being considered at the meeting and others will be dealt with during the course of the meeting.