



Australian Government

Australian Accounting Standards Board

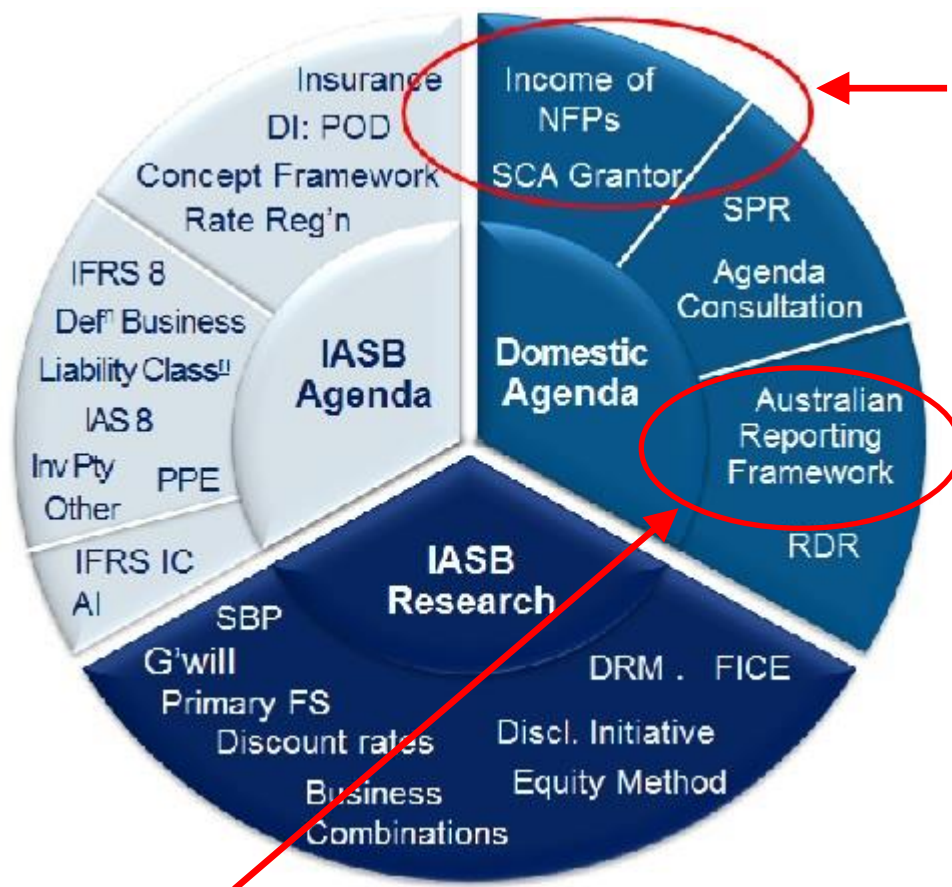
The future of public sector accounting Comments from the AASB

February 2017

Kris Peach, AASB Chair

Our current domestic agenda

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In progress. Could the extent of public sector reporting change?

Substantially complete

Income of NFP Entities

- AASB 1058, AASB 2016-7 & AASB 2016-8
- Applying IFRS 15 to NFPs
- Addresses accounting where IFRS 15 does not apply
- Applies from 1 Jan 2019

SCA: Grantors

- AASB 105X – fatal flaw for public comment
- Applies from 1 Jan 2019



- The AASB is **informed** by existing IPSASs
 - May not adopt IPSAS approach
 - Reasons include transaction neutrality
- The AASB **contributes** to IPSASs in development
 - Where we already have a NFP Standard eg. AASB 1058
 - Where we have experience applying IFRS to public sector eg. accounting for heritage items
 - Gaps in Australian public sector reporting – could future IPSASs be incorporated into AASBs?

Have we modified IFRSs enough for NFPs?

- AASB identifying extent of similarities and differences to IPSAS
 - Reason for the exercise
 - Key reasons for differences: IFRS ahead of IPSAS; IPSAS focus on public sector only
 - “Comparison to IPSAS” to be developed in future AASB Standards
- Why not adopt IPSASs in the same manner as IFRSs?
 - Feedback from **AASB review of IFRS adoption in Australia**: No push to adopt IPSAS for public sector at this time
 - Full IPSAS means adopting the good, the bad and the ugly

What public sector gaps still exist & where can you provide input?

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Feedback from AASB Agenda Consultation

- application of AASB 13 by NFP entities
- PIR of public sector accounting standards
- discounting of long-term liabilities

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AASB identified possible future work

- public sector licences outside scope of AASB 15
- volunteer services
- contributions by owners
- review of AASB 1049
- non-contractual receivables / payables
- public sector expenses (IPSASB project)
- social benefits (IPSASB project)
- public sector combinations (IPSASB project)

Getting involved

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The screenshot shows the Australian Accounting Standards Board (AASB) website. The header includes the Australian Government logo and the AASB name. The main navigation bar has links for Home, Pronouncements, Work In Progress, News, Hot Topics, Research Centre, and AASB Board. The main content area features a large image of a person writing on a document, with the AASB logo and tagline: "Developing, issuing and maintaining Australian Accounting Standards and related pronouncements". Below this, there are four columns of information: "Subscribe for Alerts", "Open for Comment", "The Standard-Setting Process", and "Upcoming AASB Events". The "Open for Comment" section is highlighted with a callout: "Organise a meeting with AASB staff". The "Upcoming AASB Events" section is highlighted with a callout: "Share views at a roundtable/forum/education session". The "Quick Links" section lists several items, including "AASB Board Strategy and Corporate Plan", "AASB Work Program", "AASB Project Advisory Panels", "Differential Reporting Project Update", "Current Vacancies at AASB", and "Search for a specific document". The "Quick Search" section has a search bar and a "Search" button. The "Home - Latest News" section shows a list of news items, including "Financial reports are set to become more relevant and concise with significant proposed improvements to Reduced Disclosure Requirements (RDR). ED 277 Reduced Disclosure Requirements Tier 2 Entities proposes changes to RDR and in some cases major reductions to the requirements. The proposals are based on a decision-making framework the AASB and NZASB have jointly developed to further assist any entity when they are required to prepare financial reports".

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Further information



Kris Peach
Chair
@krispeachAASB

AASB Offices

standard@asb.gov.au

Tel: (03) 9617 7600

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