



Memorandum

To:	AASB members	Date:	27 January 2015
From:	Mitchell Bryce	Agenda Item:	8.1 (M143)
Subject:	Residual Value of Recyclable Assets	Project Priority:	High
Project Status:	Targeted outreach	Decision-Making:	High

Action for this meeting

To consider the feedback from targeted outreach and decide how to proceed with the issue.

Link to project summary

http://www.aasb.gov.au/admin/file/content102/c3/Residual_value_Project_Summary.pdf

Attachments

- Agenda Paper 8.2 AASB staff issues paper: Analysis of feedback from targeted outreach
Agenda Paper 8.3 Submissions received as part of AASB staff targeted outreach

Overview of agenda papers

Agenda Paper 8.2 AASB staff issues paper: Analysis of feedback from targeted outreach

Agenda Paper 8.2 responds to the Boards direction from the September 2014 Board meeting to conduct targeted outreach on the issue. The Agenda Paper considers:

- (a) the summary of feedback received from targeted outreach;
- (b) the alternatives for progressing with the project; and
- (c) the staff recommendation and questions for the Board.

Agenda Paper 8.2 includes the following Questions to Board members:

- (a) Does the Board agree with the staff recommendation to write a staff article on the issue?
- (b) If not, how does the Board wish to progress the project:
 - (i) take no action and give reasons (e.g. as an Agenda Decision – refer to Appendix for draft wording of an Agenda Decision should the Board wish to pursue this alternative);
 - (ii) refer the issue to the IFRS Interpretations Committee for consideration; or
 - (iii) add the issue to the work program.

Agenda Paper 8.3 Submission received as part of AASB staff targeted outreach

Agenda Paper 8.3 sets out the submissions received as part of AASB staff targeted outreach. In total four submissions were received:

- (a) Submission 1 – Institute of Public Works Engineering Australasia (IPWEA). The submission sets out the IPWEA’s views on the accounting for infrastructure assets subject to recycling.
- (b) Submission 2 – IPWEA. The submission specifically details the IPWEA’s proposal for accounting for the full-depth recycling of a gravel road, consistent with the fact pattern included in the original submission.
- (c) Submission 3 - Central NSW Councils (Centroc). The submission sets out Centroc’s views on the accounting for infrastructure assets subject to recycling. It also provides a number of case studies from local councils to support Centroc’s view on the definition, and application, of residual value.
- (d) Submission 4 – Orange City Council. The submission sets out the councils view on the issue and provides the rehabilitation programme for road infrastructure employed by the council.