



Australian Government  
Australian Accounting Standards Board

# Memorandum

<b>To:</b>	<b>AASB Members</b>	<b>Date:</b>	12 May 2015
<b>From:</b>	<b>Evelyn Ling &amp; Mitchell Bryce</b>	<b>Agenda Item:</b>	5.1 (M145)
<b>Subject:</b>	<b>Recognition of Residual Value for Infrastructure Assets</b>	<b>Project Priority</b>	High
<b>Project Status:</b>	<b>Redeliberations</b>	<b>Decision-Making:</b>	High

## Actions

To consider feedback received on the Board's Tentative Agenda Decision *Recognition of Residual Value for Infrastructure Assets* and decide how to progress with the project.

## Links to Tentative Agenda Decision, Project Summary & Approved Minutes

Tentative Agenda Decision:

[http://www.aasb.gov.au/admin/file/content105/c9/Proposed\\_Agenda\\_Decision\\_February\\_2015.pdf](http://www.aasb.gov.au/admin/file/content105/c9/Proposed_Agenda_Decision_February_2015.pdf)

Project summary:

[http://www.aasb.gov.au/admin/file/content102/c3/Residual\\_value\\_Project\\_Summary.pdf](http://www.aasb.gov.au/admin/file/content102/c3/Residual_value_Project_Summary.pdf)

Approved AASB minutes:

- September 2014: [http://www.aasb.gov.au/admin/file/content102/c3/AASB\\_Minutes\\_M141\\_3-4\\_Sept\\_2014\\_unsigned.pdf](http://www.aasb.gov.au/admin/file/content102/c3/AASB_Minutes_M141_3-4_Sept_2014_unsigned.pdf)
- February 2015: [http://www.aasb.gov.au/admin/file/content102/c3/M144\\_1.2\\_Feb\\_2015\\_Minutes\\_unsigned.pdf](http://www.aasb.gov.au/admin/file/content102/c3/M144_1.2_Feb_2015_Minutes_unsigned.pdf)

## Attachments

Agenda Paper 5.2      Staff Issues Paper – Staff Collation and Analysis of Comment Letters

Agenda Paper 5.3      Comment letters received on the Tentative Agenda Decision

## Overview of Key Agenda Papers

Agenda Paper 5.2 *Staff Issues Paper – Staff Collation and Analysis of Comment Letters* summarises and analyses the feedback received on its Tentative Agenda Decision *Recognition of Residual Value for Infrastructure Assets* with a view to seeking a final Board decision on the issue.

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**Agenda Paper 5.2 includes the following Questions to Board Members:**

Q1	Do Board members agree with the staff recommendation to continue to support the view that the definition of residual value does not include cost savings from the re-use of in-situ materials?
Q2	Do Board members agree with the staff recommendation not to create an exception for not-for-profit public sector entities that would allow the current practice of incorporating cost savings in determining the asset's residual value to continue?
Q3	Do Board members agree with the staff recommendation to amend the wording of the Tentative Agenda Decision to soften the presumption that an entity would arrive at a similar outcome under both Views?
Q4	Do Board members agree with the staff recommendation not to introduce any transitional provisions?
Q5	Do Board members agree with the staff recommendations in paragraphs 41 and 42 [of Agenda Paper 5.2] not to take any action in respect of these other issues raised in submissions?
Q6	Do Board members agree with the staff recommendation to finalise the Tentative Agenda Decision as marked up in Appendix A?
Q7	Having regard to the likely timing of a staff article on this issue, do Board members want staff to continue to prepare the article as previously directed?

**Next Steps**

The next steps on this project are dependent on the Board's decisions at this meeting.