

## AASB research strategy – prepared May 2015

### Meeting our key objectives – 2015 to 2019

The following table sets out the AASB’s key research objectives, their estimated timing and the resources expected to be required to meet the objectives.

The research work program will provide greater detail on the expected steps involved and the estimated timing of those steps.

	Topic	Objectives/milestones	Timing	Resourcing	Comments
<b>1</b>	<b><i>Australian Financial Reporting Framework</i></b>	<b><i>Overall – help to achieve reforms in financial reporting that balance costs and benefits and result in ‘fit for purpose’ information; ideally with an overall deregulatory outcome</i></b>	<b><i>Overall – expected to span the whole 4-year outlook</i></b>		<b><i>Relates to Strategy 3 – taking a leadership role in shaping the Australian reporting framework</i></b> <i>Plan to work with the AUASB on most aspects of this project.</i>
1a	Corporate Financial Reporting Framework	Empirical and other research aimed at providing input for policymakers on which companies should report (and, with AUASB involvement, what should be audited).	2015	RD (15%) SPM (30%) PM (20%) Graduate (20%) Academic input	Plan is to begin with corporate reporting and use this as a ‘template’ for addressing other entity types. There will probably be a combination of data-based research and survey-based research. International benchmarking also useful.
1b	Non-corporate and wider Financial Reporting Framework	Empirical and other research aimed at providing input for policymakers on which non-corporate entities should report and what should be reported (and audited). Consideration to be given to a third tier of GPFS.	2015 – 2019	RD (15%) SPM (30%) PM (20%) APM (20%) Academic input	Plan to cover a wide range of potentially significant non-corporate entities that may lodge financial statements. There will probably be a combination of data-based and survey-based research. One outcome might be a 3 <sup>rd</sup> tier of GPFS. International benchmarking also useful.



	<b>Topic</b>	<b>Objectives/milestones</b>	<b>Timing</b>	<b>Resourcing</b>	<b>Comments</b>
1c	Phase 2 control	Addressing administered items issues in the public sector	2016 – 2018	RD (10%) SPM (20%) APM (20%) Consultant	Long-time issue with key public sector constituents. Need to remain aware of past work on the topic. The issues may wholly or partially be answered as part of 1b above.
1d	Revised RDR principles	Provide recommendations for changing the principles	2015	RD (minimal) SPM (10%) PM (20%) NZASB staff	Joint with New Zealand. Plan is to respond to concerns about the costs associated with outcomes of existing principles. Subject to Board decision, revisions to existing RDR requirements likely to be phased standard-by-standard.
1e	RDR PIR	Research on RDR take-up, transitional arrangements (from SPFS) and other constituent ideas on tiered reporting. Address revised RDR principles and possible third tier (1b and 1c above).	2015 – 2016	RD (5%) SPM (10%) APM (20%) Academic input	AASB undertook with OBPR that a PIR of AASB 1053 would commence in 2015. Much of this project is expected to involve bringing together aspects of 1a, 1b and 1d.
1f	Group information	Addressing user needs for information in group reports on entities within the group (parent, subsidiaries and possibly associates and JVs).	2016 – 2018	RD (5%) SPM (10%) APM (20%) Consultant	Aimed at leading to recommendation to IASB and to suggested changes to Corporations Act and other reporting requirements.
1g	XBRL	Continue to support XBRL via Australian taxonomy assurance role.	Ongoing	RD (minimal) Graduate (5%)	Help promote electronic filing of financial information.



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2	<b>Conceptual Framework</b>	<b>Overall – Achieve short-term improvements from the IASB’s ED; and long-term improvements on measurement issues</b>			<b>As a foundation for other work – the Framework relates to a number of the AASB’s Strategies. In particular:</b> * <b>Strategy 1 because it can help underpin the transaction neutrality;</b> * <b>Strategy 2 because the Framework can potentially be generally applied to a wide variety of external reporting.</b>
2a	Conceptual Framework	Respond to IASB ED, including outreach such as roundtables. Follow-up work to help influence outcomes	2015 – 2017	RD (15%) SPM/PM (60%) Consultant	Having already set out the AASB’s full position on the DP, the plan for the ED is to focus on particular areas where we have the most opportunity to have an impact. Plan to use alliances with other NSS to advance our views.
2b	Conceptual Framework and not-for-profit entities	Work with NZASB on aligning aspects of the Framework as it applies to not-for-profit entities (in both the private and public sectors)	2015 – 2017	RD (5%) SPM/PM (20%) Consultant	NZASB plans to adopt IPSASB Framework and potentially make changes to address issues relating to private sector not-for-profit entities.
2c	Conceptual Framework and measurement issues	Research on measurement issues that IASB and IPSASB could address in the longer term. Includes articulating firm understanding of main measurement bases.	2015 – 2018	RD (10%) SPM/PM (40%) Consultant	Plan to use alliances with other NSS to advance our views. Plan to workshop ideas with key Australian and New Zealand constituents.



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2d	Conceptual Framework and external reporting	Research on how the Framework for financial reporting might be applied (possibly in modified form) to other areas of external reporting.	2015 – 2018	RD (10%) SPM/PM (40%) Consultant	Depending on the AUASB's strategies and priorities, some of this work could be conducted in conjunction with the AUASB where there are auditing needs associated with the relevant external reporting.
3	<b>IFRS PIR</b>	<b><i>Overall – obtain a clear sense on whether IFRS adoption has been beneficial, and whether those benefits vary by class of entity</i></b>			<b><i>Relates to Strategy 3 – taking a leadership role in shaping the Australian reporting framework – to the extent the PIR impacts on that work.</i></b>  <b><i>Also relates to Strategy 4 – improving AASB's international influence – it will provide input to the general knowledge on IFRS adoption and could highlight issues to raise with IASB.</i></b>
	Review Australian IFRS experience	Obtain input from a wide range of sources (including users) on the costs and benefits of IFRS adoption.  Report findings to FRC and Minister.	2015 – 2016	RD (5%) SPM (10%) PM (20%) Academic input	Use existing empirical analysis to the extent feasible.  Involve FRC Financial Reporting Taskforce in stages of the Report.  Report findings, which may feed into the Australian Financial Reporting Framework project.  The IFRS PIR can also benefit the PIR on AASB 1053 that the AASB needs to commence in 2015, as agreed with OBPR.



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4	<i>Alliances</i>	<i>Overall – Gain support and recognition for our views on IFRS and IPSAS. Influence outcomes of IASB research projects and ultimately new and revised IFRS</i>			<i>Relates mainly to Strategy 4 – improving AASB’s international influence. Also expected to help meet Strategy 5 on stakeholder engagement</i>
4a	General	Most international alliances with NSS (including EFRAG) will be forged through research projects. Some domestic alliances could be forged research projects.	2015 – 2019	Not applicable	Current candidates for joint research work with other NSS include: discounting, measurement and intangible assets. Current candidates for joint research domestically include various academics and professional bodies. Some of this work could form the basis of materials presented to ASAF.
4b	AOSSG general	Maintain involvement in Centre of Excellence in a Developing Country (CoEDC) Working Party. Maintain the reputations of the AASB and AOSSG in involvements with CoEDC.	2015 – 2019	RD (minimal) SPM (5%)	AASB currently leads, and plans to continue to lead, the Working Parties on Financial Instruments and the AOSSG Website. Will seek to lead other Working Groups as relevant opportunities arise – potential candidates are discounting and measurement.
4c	AOSSG COEDC	Maintain involvement in Centre of Excellence in a Developing Country Working Party		RD (minimal) SPM (5%)	AASB currently leads the Working Party, but has flagged that we are prepared to remain a contributor, but not leader.



Because the strategy covers a 4-year timeframe and the timings differ between projects, the following percentages are not the sum of those identified in the above table; instead, they are estimates of the percentages for the remainder of 2015.

	<b>Staff</b>	<b>Time</b>
RD	Research Director	75%
SPM	Senior Project Managers	100%
PM	Project Managers	130%
APM	Assistant Project Managers	80%
Graduate	Graduate Interns	25%
	Consultant	40%

Academic input is expected to be largely sought in relation to empirical aspects of research.