

Financial Reporting Council

Australian Accounting Standards Board

Annual Reports

1999-2000

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16 October 2000

The Hon Peter Costello, MP
Treasurer
Parliament House
CANBERRA ACT 2600


Dear Treasurer

I have pleasure in presenting the inaugural annual reports of the Financial Reporting Council (FRC) and Australian Accounting Standards Board (AASB) for the year ended 30 June 2000. The reports have been prepared in accordance with section 235B of *the Australian Securities and Investments Commission Act 1989* (ASIC Act) and section 9 of the *Commonwealth Authorities and Companies Act 1997* (CAC Act).

Subsection 235B(1) of the ASIC Act requires the FRC, by 31 October each year, to prepare a report on its operations and those of the AASB during the year and on the achievement of the objects of Part 12 of the ASIC Act relating to accounting standards. Under subsection 235B(4) of the ASIC Act, the report must be tabled in each House of the Parliament as soon as practicable.

Subsection 9(1) of the CAC Act, which applies only to the AASB, requires the directors of the AASB to prepare, by no later than 15 October, an annual report for the past financial year which includes a report of operations, financial statements and the Auditor-General's report on those financial statements. Under subsection 9(3) of the CAC Act, the report must be tabled in each House of the Parliament as soon as practicable.

Yours sincerely



Paul J. Rizzo
Chairman

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ABBREVIATIONS

The following abbreviations are used throughout this report:

AARF	Australian Accounting Research Foundation
AASB	Australian Accounting Standards Board
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 1989</i>
ASX	Australian Stock Exchange
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CPAA	CPA Australia (formerly the Australian Society of Certified Practising Accountants)
FRC	Financial Reporting Council
G4+1	National accounting standard setting bodies of Australia, Canada, New Zealand, the United States of America and the United Kingdom (with an observer from the IASC)
IASC	International Accounting Standards Committee
ICAA	The Institute of Chartered Accountants in Australia
IFAC-PSC	International Federation of Accountants Public Sector Committee
IOSCO	International Organisation of Securities Commissions
PSASB	Public Sector Accounting Standards Board
UIG	Urgent Issues Group

CONTACT OFFICER

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OVERVIEW

New arrangements commence

- New institutional arrangements for setting Australian accounting standards came into effect on 1 January 2000, with the replacement of Part 12 of the *Australian Securities and Investments Commission Act 1989* (ASIC Act) by a new Part 12 enacted as part of the legislative reform package contained in the *Corporate Law Economic Reform Program Act 1999*.

Objectives

- The main objectives of the new arrangements, as set out in section 224 of the ASIC Act, are:
 - to facilitate the development of accounting standards that require the provision of financial information that: allows users to make and evaluate decisions about allocating scarce resources; assists directors to discharge their obligations in relation to financial reporting; is relevant to assessing performance, financial position, financing and investment; and is relevant and reliable, facilitates comparability and is readily understandable;
 - to facilitate the Australian economy by reducing the cost of capital, enabling Australian entities to compete effectively overseas, and having accounting standards that are clearly stated and easy to understand; and
 - to maintain investor confidence in the Australian economy (including its capital markets).

Establishing new bodies

- The Financial Reporting Council (FRC), a peak body with responsibility for the broad oversight of the accounting standard setting process for the private, public and not-for-profit sectors, has been established. It comprises key stakeholders from the business community, the professional accounting bodies, governments and regulatory agencies.

- The FRC's 13 members were announced by the Treasurer on 20 September 1999 (a list of members is at Appendix A).
- The first (informal) meeting of the FRC was held on 25 October 1999 to enable planning for the establishment of the reconstituted AASB to commence. A total of 5 FRC meetings were held during the financial year.
- The Australian Accounting Standards Board (AASB) has been reconstituted as a body corporate with power to formulate accounting standards for the purposes of the Corporations Law and for purposes other than the Corporations Law — for the public and not-for-profit sectors — and to participate in and contribute to the development of a single set of accounting standards for world-wide use. The reconstituted AASB has assumed responsibility for the functions performed by the previous AASB and by the accounting bodies' Public Sector Accounting Standards Board (PSASB).
 - The FRC appointed 9 part-time members to the AASB on 14 February 2000 and the Treasurer announced the appointment of the AASB's Chairman on 19 April 2000 (a list of AASB members is at Appendix B).
 - The first meeting of the reconstituted AASB was held on 29 May 2000.
- The Urgent Issues Group, originally established by the accounting bodies, has continued to operate as a committee of the AASB.

Oversight by FRC

- Key functions of the FRC are to advise the Government on the accounting standard setting process and the development of international accounting standards, and to determine the broad strategic direction of the AASB.
- During the year the FRC was primarily concerned with the establishment of the new standard setting arrangements.
 - Accommodation for the reconstituted AASB has been provided by the Australian Stock Exchange Ltd on a rent-free basis for a period of 4 years from 1 March 2000.
 - The FRC has received total offers or commitments from stakeholders to provide funding of \$2.88 million in 2000-01 and \$2.81 million in 2001-02.

- All Australian Accounting Research Foundation (AARF) staff employed on projects associated with accounting standard setting, and their associated support staff, transferred to the reconstituted AASB with effect from 1 July 2000, having initially provided support to the new Board as contracted employees of AARF.
- The FRC has approved the AASB's priorities, parts of its business plan, budget and staffing arrangements for 2000-01.
- The FRC also gave close attention to arrangements to ensure close consultation by the FRC and AASB with stakeholders in the standard setting process. This issue, and the FRC's work on international accounting standards are outlined below.

Standard setting

- The reconstituted AASB held 2 meetings (for a total of 3 meeting days) in May and June, and progressed a number of significant administrative and standard setting issues. Its first standards and other documents were issued in 2000-01.
- A total of 9 new or revised accounting standards were made by the out-going AASB between July and December 1999 (see Appendix G for details).
- Finally, it is noted that the Senate voted on 17 February 2000 to disallow 2 paragraphs of accounting standard AASB 1015 *Acquisitions of Assets* — the first time a standard had been the subject of such a motion.

Consultation

- The FRC and AASB are seeking to ensure maximum consultation with, and input from, stakeholders on particular standards and the standard setting process.
- During the first half of 2000-01, the AASB plans to establish a new consultative group which brings together the interest groups represented on the consultative groups of the old AASB and former PSASB.
- The FRC regularly issues a Bulletin about decisions taken at its meetings and other important developments in accounting standard setting.
- The AASB uses its website (www.aasb.com.au) to provide information about the Board, its activities and work program.

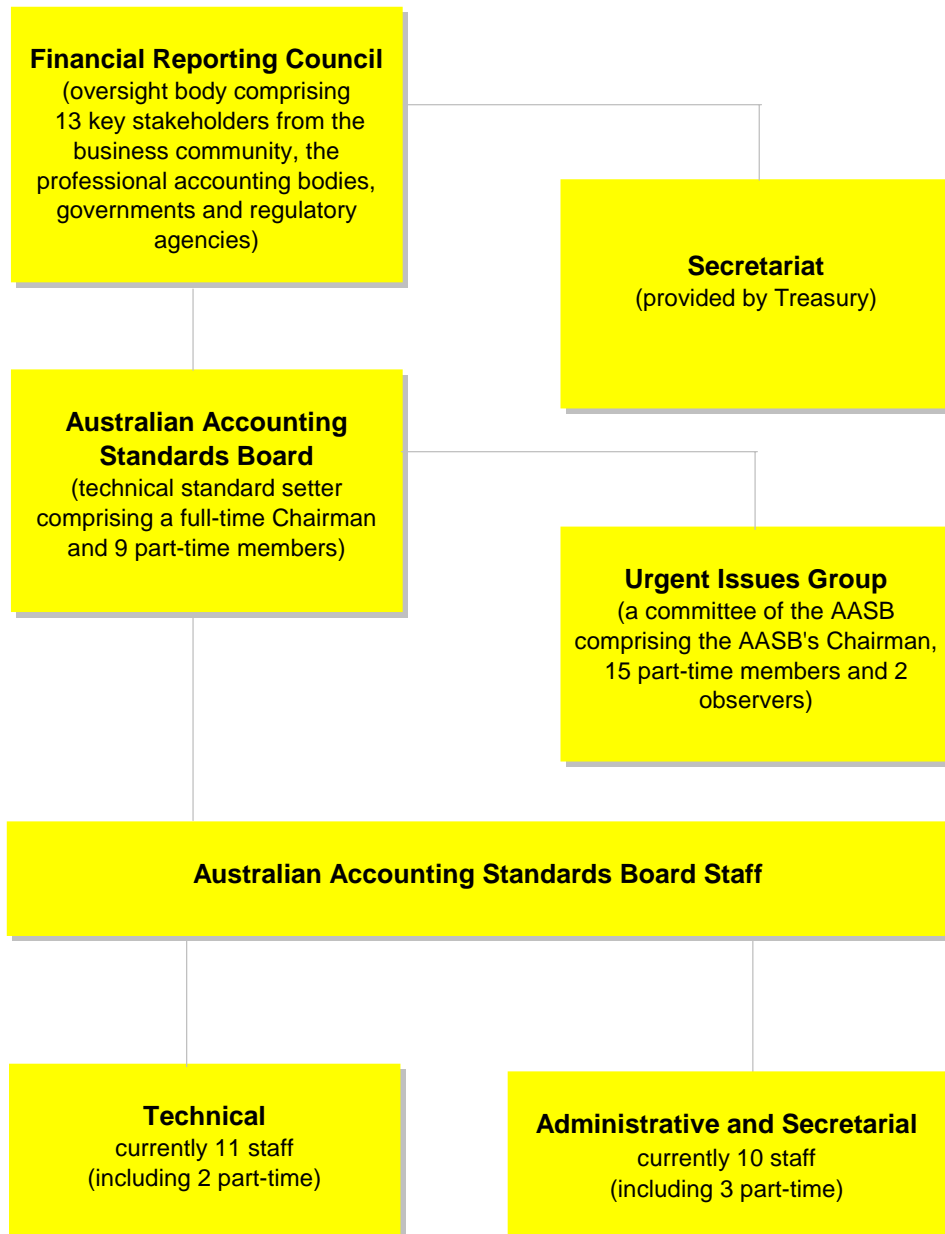
- Members of both the FRC and AASB have presented speeches to stakeholders and have met with them to discuss specific standard setting issues.

International

- The FRC has a statutory obligation to monitor the development of international accounting standards and accounting standards that apply in major international financial centres, to further the development of a single set of accounting standards for world-wide use with appropriate regard to international developments, and to promote the adoption of international best practice accounting standards in the Australian accounting standard setting process if doing so would be in the best interests of both the private and public sectors in the Australian economy.
- In accordance with its statutory obligations, the FRC is considering the policy implications for Australia of issues such as the current restructuring of the International Accounting Standards Committee (IASC) and the recommendation by the International Organisation of Securities Commissions (IOSCO) in May 2000 that IOSCO members permit incoming multinational issuers to use 30 core IASC standards to prepare financial statements for cross-border offerings and listings, subject to a range of supplementary requirements. The FRC is also monitoring the work of the European Commission and national accounting standard setting bodies in Canada, France, Germany, Japan, New Zealand, the United Kingdom and the United States of America.
- The reconstituted AASB has maintained the old AASB's involvement in the G4+1, which consists of the national accounting standard setting bodies of Australia, Canada, New Zealand, the United States of America and the United Kingdom (with an observer from the IASC).
- The AASB also provides technical support for the Australian members of the IASC and the International Federation of Accountants Public Sector Committee.

AUSTRALIAN ACCOUNTING STANDARD SETTING

Structure of institutional arrangements



FINANCIAL REPORTING COUNCIL

FRC CHAIRMAN'S REPORT

The 1999-2000 financial year has been an important one for accounting standard setting, both within Australia and internationally.

In Australia, revised institutional arrangements for standard setting, developed as part of the Government's Corporate Law Economic Reform Program, came into operation on 1 January 2000. From that date:

- a new body, the Financial Reporting Council (FRC), has been responsible for overseeing the Australian accounting standard setting process and Australia's involvement in international standard setting; and
- the reconstituted Australian Accounting Standards Board has been responsible for making accounting standards for the purposes of the Corporations Law and for the public and not-for-profit sectors.

The new standard setting arrangements are designed to address a number of key objectives:

- ensuring greater stakeholder involvement in the standard setting process;
- ensuring wide consultation by the AASB in the making of standards, and by the FRC in its oversight role; and
- achieving significant convergence of Australian and international accounting standards.

An important objective of the new arrangements is to achieve a greater level of stakeholder involvement in the process than has been possible in the past. Historically, standard setting in Australia was initiated by The Institute of Chartered Accountants in Australia and the then Australian Society of Accountants (now CPA Australia). Initially, the entire cost of the standard setting process was borne by the accounting bodies, although significant funding was subsequently provided by governments.

The establishment of the FRC, with a membership drawn from a range of stakeholder bodies having an interest in the standard setting process, will maintain an important role for the accounting profession while at the same

time giving other stakeholders greater opportunity to provide input to the process and greater ownership of the resulting standards.

Australia's standard setters have long had a comprehensive 'due process' which sought to give stakeholders an opportunity to comment during the development of proposed accounting standards. The legislative amendments extend this process by requiring the AASB to carry out a cost/benefit analysis of the impact of a proposed accounting standard before it is made or formulated. In addition, the FRC has decided that the AASB should establish a project advisory panel for each new proposed standard. The consultative group arrangements established by the former Board will also be continued. The members of the FRC and AASB will also be seeking to meet with stakeholder bodies on a regular basis to obtain feedback on the standard setting process and on particular standards.

Major progress has been made in the former AASB's program to harmonise Australian accounting standards with the requirements of IASC standards. A logical extension of the harmonisation program, which is being continued by the reconstituted Board, is to move to the adoption of international standards. In accordance with its statutory obligations, the FRC is monitoring developments in the making and use of international accounting standards to assess when international standards have reached a sufficient level of acceptance in key capital markets that they could be adopted by Australia.

Internationally, the first 6 months of 2000 saw a number of significant developments involving the setting or use of international accounting standards. These developments include:

- The announcement by IOSCO in Sydney on 17 May that it has recommended its members allow incoming multinational issuers to use 30 core standards issued by the IASC to prepare financial statements for cross-border offerings and listings, subject to a range of supplementary requirements.
- The IASC membership's unanimous adoption on 24 May of a new constitution restructuring the Committee by, among other things, transferring ownership of it from the 153 professional accounting bodies that were its members to an independent Board of Trustees.
- The appointment of the members of the IASC Trustees Board to oversee the operation of the reconstituted IASC.

There is a growing acceptance within the international community of the importance of sound, transparent and internationally recognised financial reporting standards.

Convergence to internationally accepted standards will bring important benefits. For example, it will provide investors and creditors with greater reliability and comparability of financial information. It will also facilitate international capital flows and deliver efficiency gains, reducing the cost of capital to companies. And it will contribute to international financial stability by enhancing transparency, especially in crisis economies.

The Financial Stability Forum's Task Force on Implementation of Standards has included international accounting standards issued by the IASC among its 12 key standards for a sound financial system.

IOSCO's recommendation that its members permit incoming multinational issuers to use 30 core IASC standards to prepare financial statements for use in cross-border offerings and listings, subject to a range of supplementary requirements, recognises the important role that a single set of high quality, internationally accepted accounting standards can play in facilitating international capital flows. The IOSCO resolution is not binding on members and will need to be approved by each country's securities regulator. On 13 June the European Commission announced its intention to put forward, by the end of 2000, a legislative proposal for consideration by the European Parliament that would require all listed European Union companies to prepare their consolidated accounts in accordance with IASC standards by 2005. The US Securities and Exchange Commission is currently considering its approach to the implementation of the IOSCO decision.


The restructure of the IASC makes it independent of the accounting profession by opening membership to all interested stakeholders, including preparers, users, regulators and national standard setters. It involves the establishment of a Trustees Board that will be responsible for determining the IASC's direction, raising funds, and appointing the members of the IASC Technical Standards Board. Ken Spencer, the Chairman of the previous AASB, has been appointed to the Trustees Board and is also chairing a nominating committee of the Trustees to recommend appointments to the IASC Technical Standards Board which will be responsible for making standards. This appointment is a recognition by the IASC of both Mr Spencer's standing and the key role Australia has played internationally in the standard setting process.

The IASC restructure offers a major opportunity for the further convergence of accounting standard setting and a potential vehicle for eventual agreement on internationally accepted accounting standards.

In concluding, I would like to acknowledge the financial support given to the standard setting process by stakeholder bodies. This support has enabled satisfactory arrangements to be put in place for the funding of the standard setting process over the next 3 years.

I would also like to take this opportunity to acknowledge the significant contributions to accounting standard setting — especially in the area of international harmonisation — made by the previous AASB under the Chairmanship of Ken Spencer and the former PSASB under the Chairmanship of Ian Mackintosh.

The FRC is actively performing its statutory functions and the reconstituted AASB is making significant in-roads into its demanding 2000-01 work program. We look forward to the challenges and opportunities that developments in international standard setting will provide.



Paul J. Rizzo
Chairman

FRC GOVERNANCE

Establishment, functions and powers

The FRC is a statutory body established under subsection 225(1) of the ASIC Act. Under subsection 225(2) of that Act, it is responsible for providing broad oversight of the process for setting accounting standards in Australia and giving the Minister reports and advice on that process.

Specific matters for which the FRC is responsible include:

- overseeing the operations of the AASB, including:
 - appointing its members (other than the Chair, who is appointed by the Treasurer);
 - approving and monitoring its priorities, business plan, budget and staffing arrangements;
 - determining its broad strategic direction;
 - giving it directions, advice or feedback on matters of general policy and its procedures; and
 - monitoring the effectiveness of its consultative arrangements;
- monitoring the development of international accounting standards and accounting standards that apply in major international financial centres;
- promoting the adoption of international best practice accounting standards in the Australian accounting standard setting process if doing so would be in the best interests of the Australian economy;
- monitoring the operation of Australian accounting standards to assess their continued relevance and effectiveness in achieving their objectives; and
- seeking contributions towards the costs of the Australian accounting standard setting process.

The legislation expressly limits the FRC's ability to become involved in the technical deliberations of the AASB. It provides that the FRC does not have power to direct the AASB in relation to the development, or making, of a particular standard, or to veto a standard formulated or recommended by the AASB. This provision is designed to ensure the independence of the standard setter.

Membership and meetings

Under section 235A of the ASIC Act, the members of the FRC are appointed by the Treasurer and hold office on terms and conditions determined by the Treasurer. The Treasurer appointed FRC members from nominations put forward by key stakeholder groups.

The membership of the FRC was announced by the Treasurer on 20 September 1999. The appointments were formalised in January 2000 following the commencement of the amendments to the ASIC Act.

Mr Paul Rizzo, Group Managing Director, Finance and Administration, Telstra Corporation Ltd, was appointed Chairman. The FRC's other 12 members represent a range of stakeholder interests, including the accounting profession, the business community, users and preparers of financial reports, regulators and Commonwealth, State and Territory Governments. A full list of members, their qualifications and the stakeholders who nominated them, is in Appendix A. In addition, 4 alternate members have been appointed to participate in FRC meetings when the members for whom they are appointed are unable to attend. Their details also appear in Appendix A.

On 10 April 2000, members of the FRC appointed Mr Michael Ullmer as Deputy Chairman of the FRC in accordance with subsection 235A(3) of the ASIC Act.

The FRC met on a total of 5 occasions during 1999-2000. To enable planning for the establishment of the reconstituted AASB to be progressed, the first 2 meetings were held prior to the commencement of the legislative amendments establishing the FRC. Decisions taken at these meetings were confirmed at a meeting held after the appointments of FRC members had been formalised. Particulars of FRC members' attendance at the 5 meetings are set out in Appendix D.

OPERATIONS AND ACTIVITIES

Since the Treasurer's announcement of the FRC's members on 20 September 1999, the activities of the FRC have been primarily focussed on the establishment of the reconstituted AASB and the performance of its functions under section 225 of the ASIC Act.

Establishing reconstituted AASB

The establishment of the reconstituted AASB involved finding appropriate accommodation in Melbourne's central business district, obtaining commitments from stakeholder bodies to fund the standard setting arrangements, the appointment of members of the AASB and the employment of experienced staff to provide technical and administrative support for the work of the Board.

Accommodation for the reconstituted AASB has been provided by the Australian Stock Exchange Ltd on a rent-free basis for a period of 4 years from 1 March 2000 as part of its financial commitment to the standard setting process. The cost of fitting out the accommodation to meet the requirements of the AASB was met by the Commonwealth Government.

Including the provision of accommodation by the Australian Stock Exchange, 6 stakeholders had, by 30 June 2000, either committed or offered to provide funding for the standard setting process. The total funding available for standard setting under these commitments and offers is \$2.88 million in 2000-01 and \$2.81 million in 2001-02.

The appointment of 9 part-time members to the reconstituted AASB was announced by the FRC on 14 February 2000. The appointment of a 10th member, the AASB's full-time Chairman, was announced by the Treasurer on 19 April 2000. Particulars of all AASB members, including their qualifications and terms of appointment, are set out in Appendix B.

Under the revised standard setting arrangements, the AASB became responsible for employing its own technical and administrative support staff. Technical and administrative support for the previous AASB (and also the accounting profession's Public Sector Accounting Standards Board and Urgent Issues Group) was provided by staff of the Australian Accounting Research Foundation (AARF), a joint venture of the ICAA and CPAA. All AARF staff employed on projects associated with accounting standard setting, and their associated support staff, were offered employment with the reconstituted AASB and transferred to the new organisation with effect from 1 July 2000.

Overseeing the AASB

As noted above, the FRC's responsibilities include approving the AASB's priorities, business plan, budget and staffing arrangements.

Following the formal appointment of the AASB's Chairman on 8 May and the AASB's first meeting on 29 May, the AASB provided an interim business plan

and budget for consideration at the FRC meeting on 3 July 2000. The FRC approved the standard setting priorities proposed by the AASB. These are set out at Appendix E.

No changes have been made to the AASB's priorities or business plan as a result of FRC action during the financial year.

In addition, in accordance with its statutory functions, the FRC has considered the proposed AASB budget for 2000-01 and proposals from the AASB relating to the conduct of AASB meetings (including quorum, voting, agenda papers and dissenting views) and consultation with stakeholders.

International accounting standards

Under paragraph 225(2)(f) of the ASIC Act, the FRC is required to monitor the development of international accounting standards and accounting standards that apply in major international financial centres, to further the development of a single set of accounting standards for world-wide use with appropriate regard to international developments; and to promote the adoption of international best practice accounting standards in Australia if doing so would be in the best interests of both the private and public sectors in the Australian economy.

The FRC is monitoring and assessing developments in international standard setting, including the work of the IASC, national accounting standard setting bodies in Canada, France, Germany, Japan, New Zealand, the United Kingdom and the United States of America. It is also monitoring the work of the European Commission.

Consultation

The FRC regularly issues a Bulletin about decisions taken at its meetings and other important developments in accounting standard setting. The Bulletin, which is available in both paper and electronic versions, is distributed to the media and stakeholders. Requests for past issues, and inclusion on the distribution list for future issues, should be sent to the FRC's Secretary (see address on page 15).

During the financial year representatives of a number of corporations and business organisations met with members of the FRC to discuss technical issues associated with accounting standard setting. The FRC has noted these issues in the context of giving the AASB feedback on matters of general policy.

In addition, the FRC's Chairman has presented a number of speeches about the establishment of the new standard setting arrangements and the role of the FRC in those arrangements.

Consideration has also been given to the establishment of a consultative group to support the FRC's own work. Although the FRC has decided not to proceed with the establishment of a group at this time, it will continue to assess the need for such a group to support its own work.

A new AASB consultative group, which brings together the interest groups represented on the consultative groups of the old AASB and the former PSASB, is being established.

Finances

Section 238 of the ASIC Act provides that the moneys of the AASB may be applied in meeting the administrative expenses of the FRC and the payment of any remuneration and allowances payable to a person appointed under Part 12 of the ASIC Act.

FRC members do not receive remuneration or allowances. Their expenses of attending meetings are met by nominating stakeholder bodies.

During the period 1 January 2000 — 30 June 2000 any administrative expenses associated with the operation of the FRC were also met by stakeholder bodies.

FREEDOM OF INFORMATION

The FRC maintains possession of the following documents:

- FRC meeting agenda papers;
- administrative and technical papers concerning the FRC's functions and its performance of those functions;
- copies of Bulletins issued by the FRC;
- correspondence with stakeholder groups and members of the public.

Requests under the *Freedom of Information Act 1982* for access to documents in the possession of the FRC can be directed to the FRC Secretariat using the contact details set out below.

No applications under the *Freedom of Information Act 1982* were received by the FRC during the year.

CONTACTING THE FRC

The FRC can be contacted as follows:

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AUSTRALIAN ACCOUNTING STANDARDS BOARD

AASB CHAIRMAN'S REPORT

The year to 30 June 2000 was a year of significant change in the structural arrangements for accounting standard setting in Australia. As a consequence of these changed arrangements there was something of a pause in standard-setting activities in the half-year to 30 June 2000. An initial 1 day meeting was held to deal with operating and administrative matters and the second, a 2 day meeting, dealt principally with the AASB's interim business plan and a number of proposed new and revised accounting standards under the Board's international harmonisation program.

I would like to give due recognition to the work of the former AASB and the PSASB during the half-year to 31 December 1999. These Boards were ably chaired by Ken Spencer and Ian Mackintosh respectively. Much of the immediate work of the reconstituted AASB relates to proposed new and revised standards that had reached the final stage of the due process under the international harmonisation program. The former Boards are to be commended for the considerable progress achieved under this program. The former Boards issued a number of new and revised Accounting Standards in the 6 months to 31 December 1999. Subsequently in February 2000 the Senate disallowed 2 paragraphs of Accounting Standard AASB 1015 *Acquisitions of Assets*.

I would like also to give recognition to the work performed by the employees of AARF who provided invaluable technical and administrative support to the standard-setting process throughout the year. This support extended beyond domestic standard setting to providing technical support to Australia's 2 members on the International Accounting Standards Committee, its representative on the Public Sector Committee of the International Federation of Accountants, as well as to the Joint Working Group on Financial Instruments and to the IASC steering committees on insurance, extractive industries and agriculture. The competence of this staff is well recognised by the G4+1 group of standard setters. I am delighted that from 1 July 2000, the AARF technical accounting and administrative staff transferred to the AASB.

Work program

An interim business plan setting forth the AASB's standard-setting priorities for the year to 30 June 2001 has been approved by the FRC. These priorities are detailed in Appendix E.

International activities

The business plan also places a strong emphasis on the AASB's continued participation in international standard-setting. New challenges lay ahead for the AASB to be effective in the international arena given the announced restructuring of the IASC with Sir David Tweedie as the initial full-time chairman and the planned appointment of a further 11 full-time members and 2 part-time members by 31 December 2000. In order to influence the outcome of future IASC debate, it will be important for the AASB to build strong lines of communication with the new IASC board. An Australian-based appointment would undoubtedly greatly facilitate the AASB's future liaison with the IASC. It is my hope that at least 1 Australian will become an IASC board member.

It is my intention to continue Australia's past extensive participation in the activities of the G4+1 group of standard-setters. This participation provides the AASB with an excellent opportunity to meet with the other major standard-setting bodies as well as assisting in finding ways to achieve convergence of accounting standards in the major jurisdictions. I intend also to re-establish the staff exchange program of earlier years with the other major standard-setters.

The development of a high standard set of global accounting standards, given the ever-increasing internationalisation of business, is extremely important. The decision by the President's Committee of the International Organisation of Securities Commissions (IOSCO) in May 2000 recommending that IOSCO members permit incoming multinational issuers to use the 30 'IASB 2000 standards' to prepare their financial statements for cross-border offerings and listings, (as supplemented by reconciliation, disclosure and interpretation where necessary to address outstanding substantive issues at a national or regional level) is a significant step in this direction. I believe it is essential that Australia continues to play a key role in this process and for the AASB to place a high priority on its statutory function to participate and contribute to the development of a single set of accounting standards for world-wide use.

I also believe that it is essential that standard-setting be based on adequate research, public consultation and careful deliberation about the reliability and relevance of the resulting information, having due regard to the related costs and benefits involved. The success of the standard-setting activities of the

AASB is, therefore, in part dependent on receiving constructive input from constituents, including users and preparers and other interested parties. I urge all constituents to participate fully in the due processes of standard-setting, including the submission of comments on both domestic and international discussion papers and exposure drafts, the field-testing of new proposals and, where relevant, participation through project steering committees and our consultative group.

A handwritten signature in cursive script that reads "Keith Alfredson".

Keith Alfredson
Chairman of AASB

AASB DIRECTORS' REPORT OF OPERATIONS

The members of the FRC, who are the directors of the AASB for the purposes of the CAC Act, have prepared this report under section 9 of the CAC Act in accordance with the requirements contained in *Commonwealth Authorities and Companies Orders 1998* made by the Minister for Finance and Administration on 17 August 1998.

This report does not deal with the activities of the previous AASB during the period prior to 1 January 2000. Information about the membership and technical activities of that Board during the 6 months from 1 July 1999 to 31 December 1999 is contained in Appendix G.

Establishment, functions and powers

The AASB is a body corporate with perpetual succession established under section 226 of the ASIC Act. Under subsection 227(1) of that Act, its functions are:

- to develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards;
- to make accounting standards under section 334 of the Corporations Law for the purposes of the national scheme laws;
- to formulate accounting standards for other purposes;
- to participate in and contribute to the development of a single set of accounting standards for world-wide use; and
- to advance and promote the facilitation of the development of accounting standards that require the provision of financial information that is relevant and reliable, facilitates comparability and is readily understandable to allow users to make and evaluate decisions about allocating scarce resources, and assessing the performance and financial position of entities.

Subsection 227(3) provides the AASB with the following powers:

- to engage staff and consultants;
- to establish committees, advisory panels and consultative groups;
- to receive money contributed towards its operating costs; and
- to do anything else that is necessary for, or reasonably incidental to, the performance of its functions.

Consistent with the functions and powers conferred on it by section 227 of the ASIC Act, the reconstituted AASB seeks to meet its objectives by developing and issuing Accounting Standards and Statements of Accounting Concepts.

Directors

The Australian Government Solicitor has advised that the members of the FRC are the directors of the AASB for the purposes of the CAC Act.

The names of FRC members during the period covered by this report, and their qualifications, are listed in Appendix A. Details of their attendance at FRC meetings is contained in Appendix D. All FRC members are non-executive directors of the AASB.

Technical activities of AASB during 1999-2000

Membership and meetings of AASB

Under the revised standard setting arrangements, the Chairman and members of the AASB are appointed under section 236B of the ASIC Act. The Chairman is appointed by the Treasurer while other members are appointed by the FRC. To be eligible for appointment, a person must have knowledge of, or experience in, business, accounting, law or government. The Chairman and members hold office on the terms and conditions that are determined by the Treasurer and FRC respectively. Appointments may be made for a period of up to 5 years and retiring members are eligible for reappointment.

The members of the reconstituted AASB are listed in Appendix B. The Board held 2 meetings for a total of 3 meeting days during May and June, and attendance of members at these meetings is set out in Appendix D.

Standard setting

The reconstituted AASB is responsible for the accounting standard setting activities previously performed by the old AASB and the PSASB.

During the first 6 months of 1999-2000, the previous AASB, in conjunction with the PSASB, made significant progress towards finalising Accounting Standards on Segment Reporting, Discontinuing Operations, Earnings per Share, Interim Financial Reporting, and Foreign Currency Translation and on developing Exposure Drafts on Director and Executive Remuneration and Related Party Disclosures.

The reconstituted AASB, which met for the first time in May 2000, has given a high priority to the completion of these projects. Since 1 July 2000, the AASB has approved new or revised accounting standards on Segment Reporting, Discontinuing Operations, Earnings per Share and Interim Financial Reporting.

In February 2000, the Senate disallowed 2 paragraphs of Accounting Standard AASB 1015 *Acquisitions of Assets*. This is the first occasion on which an accounting standard or part thereof has been disallowed.

Urgent issues group

The UIG was established in late 1994 with the purpose to review on a timely basis in the context of existing Accounting Standards and Statements of Accounting Concepts accounting issues that are likely to receive divergent or unacceptable treatment in the absence of authoritative guidance, with a view to reaching a consensus as to the appropriate accounting treatment. The operations of the UIG are carried out in accordance with its Charter. Meetings of the UIG are held in public and issue proposals, issue summaries, minutes of meetings and draft Abstracts are available to constituents. The UIG comprises 16 members drawn from a wide range of constituent groups in the public and private sectors and 2 observers. Membership of the UIG and nominating organisations are set out in Appendix C.

A consensus of the UIG requires that 11 or more members vote in favour of, and no more than 3 members vote against, the proposed treatment for the issue in question. The AASB has a reserve power of veto over UIG consensus views. A UIG consensus view is published in an Abstract. UIG Abstracts and their issue dates are listed in Appendix H.

Since 1 January 2000 the UIG has continued to meet and deal with issues under its old Charter. Under the restructured arrangements the UIG has been re-established as a committee of the AASB and revisions to its Charter and the appointment of new members have been undertaken in consultation with the FRC.

Abstracts issued in the period from 1 January 2000 — 30 June 2000 are listed in Appendix F.

Due process

The AASB adopts a comprehensive 'due process' (outlined in PS 1 *The Development of Statements of Accounting Concepts and Accounting Standards*)

when developing its pronouncements, and encourages the preparers and users of financial reports to participate actively in the standard-setting process by:

- communicating its views and policies to a broad range of interested parties via Discussion Papers, Accounting Theory Monographs, Invitations to Comment and Exposure Drafts;
- meeting with representatives of interested parties and organisations;
- inviting public comment on its policies, procedures, priorities and standards under consideration;
- issuing media releases related to its activities; and
- maintaining a website (www.aasb.com.au).

In addition, the AASB publishes an *AASB Action Alert* to keep interested parties informed of the AASB's deliberations at each of its meetings. The *AASB Action Alert* is available as a separate subscription service.

Consultative group

The reconstituted AASB has decided to establish a Consultative Group which brings together the interest groups represented on the consultative groups of the previous AASB and former PSASB.

The first meeting of the new Consultative Group is expected to be held before the end of 2000.

Liaison with constituents

The AASB meets with a wide range of people to discuss matters of interest both generally and in relation to specific projects.

Use of website

The AASB maintains a website (www.aasb.com.au). The website is used to provide information about the AASB, its activities and work program to its constituents and other interested parties. The AASB has indicated its intention to put brief summaries of key projects on the Board's website outlining the background to each project and recent progress and Board decisions and to investigate using its website to seek comments and feedback from constituents via electronic means. The AASB also includes selected agenda papers on its website.

Seminars

Members of the AASB and its staff are available to present papers on matters relating to the AASB's work program at seminars, congresses and conferences held throughout Australia.

International activities

Standard-setting must keep pace with the constant changes in the reporting environment and a 'once-off' program to harmonise is unlikely to remove all of the incompatibilities between Australian standards and those of other major standard-setters. For this reason, the AASB has an ongoing broader element to its International Harmonisation Program which is designed to ensure that Australian standards keep pace with world's best practice and continue to enhance the credibility and efficiency of the Australian capital markets and assist Australian business' participation in overseas capital markets. This broader element of the AASB's International Harmonisation Program involves closely monitoring the activities of other relevant national accounting standard-setting bodies, particularly those in the United States of America, Canada, New Zealand, and the United Kingdom, in addition to those of the IASC. The AASB uses the work of these standard-setting bodies in the development of Australian pronouncements and endeavours to ensure that, where possible, the pronouncements are consistent with those of its international counterparts.

The primary group of national standards-setters with which the AASB is involved is informally known as the 'G4+1' group of standard-setters, comprising Australia, Canada, New Zealand, the United States of America, and the United Kingdom, with an observer from the IASC. The G4+1 group met once during the period covered by this report. Through close working relationships with other national standard-setters, the AASB is able to contribute directly to the international development of accounting standards and to work towards the harmonisation of Australian and other national financial reporting requirements.

Under arrangements applying to the end of 2000 the Australian members of the IASC Board represent, and are appointed by, both the CPAA and the ICAA. Both Australian members of the IASC to 30 June 2000 were members of the AASB until 31 December 1999 and, together with a staff member, attended meetings of the IASC. During the year, Australia was also represented by an AASB member on the International Joint Working Group on Financial Instruments; by a former UIG member on the IASC's Standing Interpretations Committee; by a former AARF staff member who is Chairman of the IASC

Steering Committee on Insurance; and by a former AASB member who is Chairman of the IASC's Steering Committee on Extractive Industries.

The IASC is presently being restructured. The new organisation is to have 2 main bodies, a Board of Trustees and a Standards Board, as well as a Standards Interpretation Committee and Standards Advisory Council. The Trustees are to appoint the Board members, exercise oversight and raise funds needed, whereas the Board will have sole responsibility for setting accounting standards. The Board will comprise 12 full-time members including a full-time Chairman and 2 part-time members appointed by the Trustees. On 19 May 2000, the initial 19 Trustees of the restructured IASC were announced, including Ken Spencer the Chairman of the out-going AASB. IASC Board members are to be appointed by the Trustees on the basis of their personal integrity, technical competence, analytical and interpretation skills and judicial temperament. On 29 June 2000, the Trustees announced the appointment of Sir David Tweedie, Chairman of the United Kingdom Accounting Standards Board, as Chairman of the IASC Board.

Australia is also a member the International Federation of Accountants Public Sector Committee (IFAC-PSC). Australia's representative on the IFAC-PSC is appointed by the ICAA and CPAA. Australia's current representative and Chairman of the IFAC-PSC is also a member of the AASB. AASB staff provide technical support for Australia's involvement in this committee as part of the AASB's commitment to international activities that impact on public sector reporting in Australia.

Other bodies

During the year, the AASB provided input into the work of a number of other bodies, including:

- the IASC and the New Zealand standard-setting bodies on various proposed accounting standards;
- the Life Insurance Actuarial Standards Board; and
- the Commonwealth Treasury on Government proposals for reforms of the Corporations Law, including proposed reforms to standard-setting.

In addition, a former member of the AASB and a member of the staff are members of the Australian Property Institute's Australian Valuation and Property Standards Board.

Indemnities and insurance premiums for officers

No indemnities have been given or agreements made in respect of any current or former officer of the AASB. The AASB has arranged professional indemnity insurance with COMCOVER for officers but the amount of the premium is yet to be determined.

Audit committee

The members of the AASB's audit committee are Ms E. Alexander, AM (Chair), Mr J. Lucy and Ms J. McCahey.

No meetings of the audit committee were held prior to 30 June.

Ministerial responsibility

The Treasurer, the Hon. Peter Costello MP, and, in matters determined by him, the Minister for Financial Services and Regulation, the Hon. Joe Hockey MP, are the Ministers responsible for the AASB under the ASIC Act.

Preparation of report

The report is made in accordance with a resolution of the directors passed on 13 October 2000 and is signed in accordance with that resolution.



Paul J. Rizzo

Chairman

16 October 2000

AASB PUBLICATIONS

All authoritative pronouncements issued by the AASB and UIG, including Statements of Accounting Concepts, Policy Statements, Accounting Standards (AASB and AAS series), Accounting Interpretations and UIG Abstracts, are available for purchase from the AASB. A full list of pronouncements currently on issue is at Appendix H.

The AASB also publishes a range of other documents, including:

- an *AASB Action Alert* to keep interested parties informed of the AASB's deliberations at each of its meetings;
- exposure drafts of proposed new and revised accounting standards;
- invitations to comment (often concerning significant revisions to proposals previously issued as exposure drafts);
- Accounting Theory Monographs; and
- consultative and discussion papers issued in conjunction with the G4+1 or other national accounting standard setters.

The AASB provides subscription services in respect of most of these documents. In addition, individual copies are available for sale. Further information can be obtained from the AASB using the contact details set out below.

FREEDOM OF INFORMATION

The AASB maintains possession of the following documents:

- copies of Accounting Standards;
- copies of Exposure Drafts and Invitations to Comment;
- copies of Media Releases;
- AASB and UIG meeting agenda papers;
- correspondence with constituents, including responses to Exposure Drafts and Invitations to Comment; and
- internal technical and administrative papers, including project proposals, key decisions questionnaires, issues papers, draft Exposure Drafts and draft Accounting Standards.

FINANCIAL REPORT

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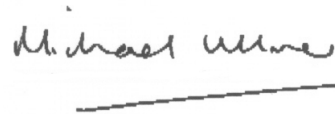
[Auditor's report to be included on this and the next page]

AUSTRALIAN ACCOUNTING STANDARDS BOARD STATEMENT BY DIRECTORS

In our opinion, the attached financial statements give a true and fair view of the matters required by Schedule 2 to the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* for the 6 months ended 30 June 2000.

A handwritten signature in black ink, appearing to be 'P. R. 1330', written over a horizontal line.

Director
16 October 2000

A handwritten signature in black ink, appearing to be 'Michael Ullmer', written over a horizontal line.

Director
16 October 2000

**Australian Accounting Standards Board
Operating Statement
for the period 1 January 2000 to 30 June 2000**

	Notes	\$
Operating revenues		
Revenues from government	5A	661,745
Sales of goods and services	5B	135,134
Interest		3
Other	5C	428,000
Total operating revenues		1,224,882
Operating expenses		
Employees	6A	944,107
Suppliers	6B	478,089
Depreciation and amortisation	6C	15,956
Total operating expenses		1,438,152
Operating deficit before abnormal items		(213,270)
Abnormal revenue	5A	378,775
Operating surplus		165,505
Accumulated surplus at end of reporting period		165,505

The above statement should be read in conjunction with the accompanying notes.

Australian Accounting Standards Board
Balance Sheet
as at 30 June 2000

	Notes	\$
ASSETS		
Financial assets		
Cash	7A	33,539
Receivables		2
Total financial assets		33,541
Non-financial assets		
Land and buildings	8A	343,703
Plant and equipment	8B	20,566
Total non-financial assets		364,269
Total assets		397,810
LIABILITIES		
Debt		
Loans	9A	50,200
Total debt		50,200
Provisions and payables		
Employees	10A	5,449
Suppliers	10B	176,656
Total provisions and payables		182,105
Total liabilities		232,305
EQUITY		
Accumulated surplus		165,505
Total equity		165,505
Total liabilities and equity		397,810
Current liabilities		232,305
Current assets		33,541
Non-current assets		364,269

The above statement should be read in conjunction with the accompanying notes.

Australian Accounting Standards Board
Statement of Cash Flows
for the period 1 January 2000 to 30 June 2000

	<u>Notes</u>	<u>\$</u>
OPERATING ACTIVITIES		
Cash received		3
Interest		
Total cash received		3
Cash used		
Employees		16,610
Suppliers		54
Total cash used		<u>16,664</u>
Net cash from operating activities		<u>(16,661)</u>
FINANCING ACTIVITIES		
Cash received		
Proceeds from debt		50,200
Cash used		-
Net cash from financing activities		<u>50,200</u>
Net increase in cash held		33,539
Cash at the beginning of the reporting period		-
Cash at the end of the reporting period		<u>33,539</u>

The above statement should be read in conjunction with the accompanying notes.

**Australian Accounting Standards Board
Schedule of Commitments
as at 30 June 2000**

	Notes	\$
BY TYPE		
Operating leases		293,195
Commitments receivable(1)		(242,000)
Net commitments		<u>51,195</u>
BY MATURITY		
One year or less		31,794
From one to two years		19,401
Net commitments		<u>51,195</u>

(1) Represents commitment of Australian Stock Exchange (the lessor of the AASB's premises) to make annual grants to the AASB to cover future premises lease rental commitments. All commitments are GST inclusive where relevant.

**Australian Accounting Standards Board
Schedule of Contingencies
as at 30 June 2000**

There are no known contingencies as at 30 June 2000.

AUSTRALIAN ACCOUNTING STANDARDS BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Summary of significant accounting policies

1.1 Period of financial statements

The Australian Accounting Standards Board (AASB) was reconstituted as a body corporate with effect from 1 January 2000 as part of the legislative reform package contained in the *Corporate Law Economic Reform Program Act 1999*. The financial statements are for the six months ended 30 June 2000.

During this period, except for the Chairman who commenced employment on 8 May 2000, staff was provided to the Board by the Australian Accounting Research Foundation (AARF) on a cost reimburseable basis. Related administrative costs were also reimburseable to the AARF.

1.2 Basis of accounting

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- *Requirements for the Preparation of Financial Statements of Commonwealth Agencies and Authorities* made by the Minister for Finance and Administration in August 1999 (Schedule 2 to the Commonwealth Authorities and Companies (CAC) Orders);
- Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Boards; and
- the Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- Statements of Accounting Concepts; and
- the Explanatory Notes to Schedule 2 issued by the Department of Finance and Administration.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position of the AASB.

1.3 Appropriations

From 1 July 1999, the Commonwealth Budget has been prepared under an accruals framework. Under this framework, Parliament appropriates moneys to the AASB as revenue appropriations, as loan appropriations and as equity injections.

Revenue appropriations

Revenues from government are revenues of the core operating activities of the AASB.

Appropriations for outputs are recognised as revenue to the extent they have been received into the AASB's Bank account or are entitled to be received by the AASB at year end.

1.4 Other revenue

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value as revenue and an asset when the AASB gains control over the contributed asset and the asset qualifies for recognition.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Services received free of charge are recognised in the Operating Statement as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Core operations

All material revenues described in this note are revenues relating to the core operating activities of the AASB.

1.5 Employee entitlements

The liability for employee entitlements represents a provision for annual leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the AASB is estimated to be less than the annual entitlements for sick leave. No liability for long service leave existed at year-end (see Note 4).

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2000 and is recognised at its nominal amount.

1.6 Leases

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

1.7 Cash

Cash includes deposits held at call with a bank or financial institution.

1.8 Financial instruments

Accounting policies for financial instruments are stated at note 17.

1.9 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

1.10 Plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases less than \$500, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Schedule 2 requires that buildings, infrastructure, plant and equipment be revalued progressively in accordance with the 'deprival' method of valuation in successive 3-year cycles.

As all assets were acquired during the current period no revaluations have yet been made pursuant to this requirement.

Recoverable amount test

The carrying amount of each item of non-current property, plant and equipment assets is reviewed to determine whether it is in excess of the asset's recoverable amount. If an excess exists as at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows, including the expected cash inflows from future appropriations by the Parliament, have been discounted to their present value.

Depreciation and amortisation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the AASB using, in all cases, the straight line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

Leasehold improvements	Lease term
Plant and equipment	3 to 10 years

1.11 Taxation

The AASB is exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

Note 2: Reporting by segments

The AASB operates primarily in a single industry and geographic segment, being the establishment of Accounting Standards within Australia.

Note 3: Economic dependency

The AASB is significantly dependent on appropriations from the Parliament of the Commonwealth and on grants from the States and Territories and from CPA Australia, The Institute of Chartered Accountants in Australia and the Australian Stock Exchange to carry out its normal activities.

Note 4: Subsequent events

On 1 July 2000, the Australian Accounting Research Foundation technical accounting and administrative staff transferred to the AASB, with the AARF funding the employee statutory entitlements at that date of \$247,000. Also on 1 July 2000, the AASB acquired certain fixed assets of the AARF at a cost of \$132,000.

Note 5: Operating revenues

	\$
5A: Revenues from Government	
Appropriations	648,000
Other	13,745
	<u>661,745</u>
Abnormal item — resources received free of charge	<u>378,775</u>
5B: Sales of goods and services	<u>135,134</u>
5C: Other revenues	
Grants from States and Territories	83,000
Industry contributions — CPA Australia	162,500
The Institute of Chartered Accountants in Australia	162,500
Australian Stock Exchange	20,000
	<u>428,000</u>

Note 6: Operating expenses — goods and services

	\$
6A: Employee expenses	
Remuneration (for services provided)	900,367
Other employee expenses	43,740
	<u>944,107</u>
6B: Suppliers expenses	
Supply of goods and services	458,089
Operating lease rental	20,000
	<u>478,089</u>
6C: Depreciation and amortisation	
Depreciation of plant and equipment	15,956

Note 7: Financial assets

	\$
7A: Cash	
Cash at bank	<u>33,539</u>

Note 8: Non-financial assets

	\$
8A: Land and buildings	
Leasehold Improvements — received free of charge — at fair value	359,659
Accumulated amortisation	(15,956)
Total Leasehold Improvements	<u>343,703</u>
8B: Plant and equipment	
Plant and equipment — received free of charge — at fair value	19,116
Accumulated depreciation	(-)
	<u>19,116</u>
Plant and equipment — at cost	1,450
Accumulated depreciation	(-)
	<u>1,450</u>
Total plant and equipment	<u>20,566</u>

8C: Analysis of property, plant and equipment

Table A

Movement summary for all assets irrespective of valuation basis

	Leasehold Improvements \$	Plant & Equipment \$
Additions	359,659	20,566
Gross value as at 30 June 2000	359,659	20,566
Depreciation charge for additions	(15,956)	-
Accumulated Depreciation as at 30 June 2000	(15,956)	-
Net book value as at 30 June 2000	343,703	20,566

Note 9: Debt

	\$
9A: Loans	
Non-bank loans	50,200

Note 10: Provisions and payables

	\$
10A: Employees	
Leave	<u>5,449</u>
10B: Suppliers	
Trade creditors	<u>176,656</u>

Note 11: Non-cash financing and investing activities

	\$
Non-cash investing activities	378,775

Note 12: Cash flow reconciliation

	\$
Operating surplus	165,505
Depreciation and amortisation of property, plant and equipment	15,956
Resources received free of charge	(378,775)
Changes in assets and liabilities	
Increase in liability to suppliers	175,206
Increase in debtors	(2)
Increase in employee provisions	5,449
Net cash provided by operating activities	(16,661)

Note 13: Remuneration of directors

Members of the Financial Reporting Council are the directors of the AASB and act on a remuneration free basis.

Note 14: Related party disclosures

The Directors and Alternate Directors of the AASB during the period were:

- Paul Rizzo (Chairman)
- Michael Ullmer (Deputy Chairman)
- Elizabeth Alexander, AM
- Don Challen
- Leigh Hall, AM
Mark Amour (Alternate to Mr Hall)
- David Jackson
- Jeffrey Lucy
- Charles Macek
- Jan McCahey
- Graeme McGregor, AO
David Edwards, AM (Alternate to Mr McGregor)
- Robert Nottle, CBE
- Gary Potts
Veronique Ingram (Alternate to Mr Potts)
- Diana Wright
- Anne Morant (Alternate to Dr Wright)

Note 15: Remuneration of officers

	\$
Income received or due and receivable by officers, representing sitting fees for part-time members of the AASB and the remuneration of the full-time Chairman	49,716

Note 16: Remuneration of auditors

	\$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period	3,300

No other services were provided by the Auditor-General during the reporting period.

Note 17: Financial instruments

(A) Terms, conditions and accounting policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instruments (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Deposits at call	7A	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	Temporarily surplus funds are placed on deposit at call with the AASB's bank.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Non-bank loan	9A	The loan is carried at the balance to be repaid.	The loan is short-term but with no specified repayment date and is interest free. The loan is unsecured.

Note 17: Financial instruments (continued)

(A) Terms, conditions and accounting policies

Trade creditors	10B	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days.
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(B) Interest rate risk

Financial Assets (recognised)	Notes	Floating Interest Rate \$	Non-Interest Bearing \$	Total \$	Weighted Average Effective Interest Rate %
Cash at bank	7A	33,539	-	33,539	3.1
Receivables		-	2	2	n/a
Total financial assets (recognised)		33,539	2	33,541	
Total assets				397,810	
Financial liabilities (recognised)					
Non-bank loan	9A		50,200	50,200	n/a
Trade creditors	10B		176,656	176,656	n/a
Total financial liabilities (recognised)			226,856	226,856	
Total liabilities				232,305	

(C) The fair value of financial assets and liabilities approximate their carrying amounts.

MEMBERS OF THE FRC 1 JANUARY 2000 TO 30 JUNE 2000

Members and Alternate Members were, unless otherwise shown, appointed on 6 January 2000 for a term ending on 31 December 2002:

Paul Rizzo (Chairman)	Group Managing Director, Finance and Administration, Telstra Corporation Ltd, Melbourne.
Michael Ullmer (Deputy Chairman)	Group General Manager, Financial and Risk Management. Commonwealth Bank, Sydney. Nominated by the Business Council of Australia.
Elizabeth Alexander, AM	Partner, PricewaterhouseCoopers, Melbourne. Nominated by the Australian Institute of Company Directors.
Don Challen	Secretary, Tasmanian Department of Treasury and Finance, Hobart. Nominated by Heads of State and Territory Treasuries.
Leigh Hall, AM	Company Director, Sydney. Nominated by the Investment and Financial Services Association.
Mark Armour	Chief Executive Officer, Funds Management, AXA Ltd, Melbourne Alternate to Mr Hall. Appointed 19/4/00; terms ends 31/12/02.
David Jackson	Director, Australian Shareholders' Association, Sydney. Nominated by the Australian Shareholders' Association.
Jeffrey Lucy	Managing Partner, PricewaterhouseCoopers, Adelaide. Nominated by The Institute of Chartered Accountants in Australia.

MEMBERS OF THE FRC (CONTINUED)

Charles Macek	Chairman, County Investment Management, Melbourne. Nominated by the Securities Institute of Australia.
Jan McCahey	Chief Accountant, Australian Securities and Investments Commission, Melbourne. Nominated by the Australian Securities and Investments Commission. Appointed 11/1/00; terms ends 31/12/02.
Graeme McGregor, AO	Company Director, Melbourne. Nominated by the Australian Society of Certified Practising Accountants (now known as CPA Australia).
David Edwards, AM	Chief Executive Officer, CPA Australia, Melbourne. Alternate to Mr McGregor. Appointed 19/4/00; terms ends 31/12/02.
Robert Nottle, CBE	Principal Adviser, Supervision, Australian Stock Exchange, Melbourne. Nominated by the Australian Stock Exchange.
Gary Potts	Executive Director, Markets Group, Department of the Treasury, Canberra. Representing the Commonwealth.
Veronique Ingram	General Manager, Corporate Governance and Accounting Policy Division, Department of the Treasury, Canberra. Alternate to Mr Potts.
Diana Wright	General Manager, e-Solutions Group, Department of Finance and Administration, Canberra. Representing the Commonwealth.
Anne Morant	Branch Manager, Financial Framework, Department of Finance and Administration, Canberra. Alternate to Dr Wright.

MEMBERS OF THE AASB 1 JANUARY 2000 TO 30 JUNE 2000

The following were appointed to the reconstituted AASB from the dates shown:

Chairman (full time appointment by the Treasurer)

F Keith Alfredson, BCom, FCA, FCPA, FAICD Appointed 8 May 2000 for 3 years.

Members (part-time appointments by the FRC)

Ian Mackintosh, BCom, FCPA, ACA (Deputy Chairman) Consultant, Sydney
Appointed 15 February 2000 for 2 years.

Peter Batten, FCPA, FCCA Group Accounting Advisor, WMC Resources Limited, Melbourne
Appointed 15 February 2000 for 2 years.

George W J Carter, FCPA Department of Finance and Administration, Canberra
Appointed 15 February 2000 for 3 years.

Neil Conn, AO, PhD, MEc, FAIM, FAICD Administrator of the Northern Territory, Darwin
Appointed 15 February 2000 for 3 years.

Brigid Curran, BCom, MFM, ACA, CPA Partner, PricewaterhouseCoopers, Melbourne
Appointed 15 February 2000 for 3 years.

Members (part-time appointments by the FRC) (continued)

Douglas McTaggart, BEc(Hons), MA, PhD, FAICD	Chief Executive Officer, Queensland Investment Corporation, Brisbane Appointed 15 February 2000 for 2 years.
Graham Peirson, MEc, FCPA	Professor of Accounting and Finance, Monash University, Melbourne Appointed 15 February 2000 for 2 years.
Ruth Picker, BA, FCA, ASIA	Partner, Ernst & Young, Melbourne Appointed 15 February 2000 for 2 years.
Greg Ward, MEc, ACA	Executive Director, Chief Financial Officer, Macquarie Bank, Sydney Appointed 15 February 2000 for 3 years.

Observers

Kenneth H Spencer, FCA	Australian representative on the Board of the IASC
Ian L Hammond, BA(Hons), ACA, FCPA	Australian representative on the Board of the IASC
Elizabeth Hickey	Representative of the New Zealand Financial Reporting Standards Board

MEMBERS OF THE UIG 1 JANUARY 2000 TO 30 JUNE 2000

Chairman

Ian Mackintosh, BCom, FCPA, ACA	PSASB Chairman	Retired 11/5/00
F Keith Alfredson, BCom, FCA, FCPA, FAICD	AASB Chairman	Appointed 12/5/00

Members

Mario Abela, BCom, DipEd, CPA	Heads of Treasuries Accounting and Reporting Advisory Committee	Term ends 31/3/01
Brigid Curran, BCom, MFM, ACA, CPA	PricewaterhouseCoopers	Retired 11/5/00
Judith Downes, BA, DipEd, ACA, FCPA	Group of 100	Term ends 31/12/01
David Greenall, FCA	Local Government	Term ends 31/12/00
Ken Leo, MBA, BCom(Hons), FCPA, ACA	CPA Public Sector CoE, and AAANZ	Term ends 31/12/00
Steve McClintock, BA, FCA	Securities Institute of Australia	Terms ends 31/5/01

Members (continued)

Arthur McHugh, BSc(Hons), PhD, BA, FCPA	Australasian Council of Auditors-General	Term ends 31/12/00
Brian Morris, BA(Acc), FCA	Medium and small accounting firms	Terms ends 31/12/00
Colin Parker, BBus(Acc), FCPA	The Joint Standing Committee of CPA Australia and The Institute of Chartered Accountants in Australia	Term ended 30/06/00
Ruth Picker, BA, FCA, ASIA	Ernst and Young	Retired 11/5/00
Tom Pockett, ACA	Australian Institute of Company Directors	Retired 11/5/00
Bruce Porter, FCPA, FICAA	Deloitte Touche Tohmatsu	Term ends 31/12/00
Brett Rix, BCom(Hons), FCA	Arthur Andersen	Term ends 31/12/01
Ted Rofe, BA, LL.M., BCom, FCPA, ASIA, ACIS	Australian Shareholders' Association	Term ends 31/12/01
Mike West, FICAEW	KPMG	Term ends 31/12/00

Observers

Jan McCahey, BCom(Hons), MCom, FCA	Chief Accountant, ASIC
Kevin Stevenson, BCom, MBA, FCA	Australian representative on the IASC's Standing Interpretation Committee

ATTENDANCE AT MEETINGS 1 JULY 1999 TO 30 JUNE 2000

FRC

The FRC held 5 meetings during the financial year. The first 2 meetings were held prior to the commencement of the legislative amendments establishing the FRC and decisions taken at these meetings were confirmed at a meeting held after the appointments of FRC members had been formalised in early January 2000. Members' attendance at the 5 meetings is shown in the table below:

Members	Number of Meetings			
	Eligible to attend	Attended	Represented by alternate	Apologies
P Rizzo	5	5	0	0
E Alexander	5	4 (a)	0	1
D Challen	5	3 (b)	2 (c)	2
L Hall	5	4 (b)	1 (c)	1
D Jackson	5	5	0	0
J Lucy	5	5	0	0
C Macek	5	5	0	0
J McCahey	5	5	0	0
G McGregor	5	3 (b)	2 (c)	2
R Nottle	5	4 (b)	0	1
G Potts	5	4 (a)	1	1
M Ullmer	5	4 (a)	0	1
D Wright	5	4 (a)	1	1

Notes:

(a) Attended 2 of the 3 formal meetings.

(b) Attended all formal meetings.

(c) Informal alternate attended with agreement of the Chairman.

AASB — Meetings since 1 January 2000

The reconstituted AASB met twice during the period 1 January 2000 — 30 June 2000 for a total of 3 meeting days. Members' attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
F K Alfredson	3	3	0
P A Batten	3	3	0
G W J Carter	3	3	0
N Conn	3	3	0
B T Curran	3	1	2
I Mackintosh	3	3	0
D McTaggart	3	3	0
G Peirson	3	3	0
R Picker	3	3	0
G C Ward	3	1	2

AASB'S WORK PROGRAM 1 JULY 2000 TO 30 JUNE 2001

Highest priorities

- The issue of new and revised standards under the international harmonisation program on:
 - Discontinuing operations
 - Earnings per share
 - Foreign currency translation
 - Interim reporting
 - Segment reporting.
- The publication of an issues paper dealing with the recognition and measurement of identifiable intangible assets, including research and development. The objective of this paper is to obtain input from constituents on the key issues that drive divergence amongst standard-setters in dealing with this topic.
- The preparation of a discussion paper concerning the reconciliation of Government general purpose financial reporting with Government finance statistics reporting and issues relating to harmonisation.
- The finalisation of a new standard on Public Infrastructure Disclosures. This standard follows the issue in 1999 of Exposure Draft ED 100, the comment period on which ended 31 May 2000.

High priorities

- The issue of new and revised standards under the international harmonisation program on:
 - Employee benefits
 - Provisions and contingencies.

- The issue of an invitation to comment concerning the recognition and measurement of financial instruments which is being prepared by the Joint Working Group, representing the G4+1 standard-setters and standard-setters from France, Germany, Japan and the Nordic Federation.
- The issue of an invitation to comment on accounting for share-based payment (including employee options) prepared by the G4+1.
- The issue of discussion papers on:
 - the use of deprival value/fair value in financial reports; and
 - the use of discounting in financial reports.

Other priorities

- The issue of new and revised standards under international harmonisation program concerning:
 - Consolidations;
 - Director and executive disclosures;
 - Impairment of assets (Exposure Draft ED 99 comment period ended 30 June 2000);
 - Investment properties;
 - Post-employment benefits; and
 - Related party disclosures.
- A review of Accounting Standard AASB 1015 'Acquisitions of Assets' in view of the Senate's disallowance of paragraphs 6.3 and 6.4.
- Finalising a report on the issues relating to the valuation and accounting for land under roads.
- A review of the current relevance of Australian Accounting Standard AAS 27 'Financial Reporting by Local Governments'.
- The preparation of a discussion paper on issues relating to financial reporting by not-for-profit entities.
- The preparation of an issues paper concerning prospective information.
- A review of Australian Accounting Standard AAS 25 'Financial Reporting by Superannuation Plans' in the light of changes to superannuation arrangements in recent years.

ABSTRACTS ISSUED BY THE UIG 1 JANUARY 2000 TO 30 JUNE 2000

The UIG publishes its Consensus Views in the form of Abstracts. The following Abstracts were issued in the period from 1 January 2000 — 30 June 2000:

- Abstract 13 The Presentation of the Financial Report of Entities Whose Securities are ‘Stapled’ (revised 5/00).
- Abstract 23 Transaction Costs Arising on the Issue or Intended Issue of Equity Instruments (revised 6/00).
- Abstract 30 Depreciation of Long-Lived Physical Assets, including Infrastructure Assets: Condition-Based Depreciation and Other Related Methods (issued 1/00).
- Abstract 31 Accounting for the Goods and Services Tax (GST) (issued 1/00).
- Abstract 32 Designation as Hedges — Rollover Strategies (issued 1/00).
- Abstract 33 Hedges of Anticipated Purchases and Sales (issued 5/00).
- Abstract 34 Acquisitions and Goodwill — First-Time Application of Accounting Standards (issued 6/00).

REPORT ON THE OPERATIONS OF THE OUT-GOING AUSTRALIAN ACCOUNTING STANDARDS BOARD 1 JULY 1999 TO 31 DECEMBER 1999

1. Establishment, functions and powers

Prior to 1 January 2000, the AASB was a statutory body established by section 224 of the ASIC Act. Its principal functions were to make accounting standards for the purposes of the Corporations Law and to develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards.

2. Membership and meetings

Appointments were made by the Treasurer on a part-time basis for a term of up to 3 years, with retiring members being eligible for reappointment.

The members of the out-going AASB are listed in Table 1. The old Board held 6 meetings (for a total of 11 meeting days) between July and December, with details of attendance by members listed in Table 2. All meetings were held jointly with the PSASB.

Members of AASB 1 July 1999 to 31 December 1999

The following were members of the out-going AASB from 1 July 1999 — 31 December 1999, when their terms of appointment ended:

Chairman

Kenneth H Spencer, FCA Company Director, Melbourne
(first appointed 1 April 1995)

Members

David G Boymal, BCom, FCA, FCPA Partner, Ernst & Young, Melbourne
(first appointed 14 May 1991)

Jayne Godfrey, PhD, MEc, Dip Ed, BCom(Hons), FCPA, FCA Professor of the Department of Accounting and Finance, University of Tasmania, Hobart
(first appointed 1 April 1995)

Ian L Hammond, BA(Hons), ACA, FCPA Partner, PricewaterhouseCoopers, Sydney
(first appointed 1 April 1992)

Wayne R Lonergan, BEc, FCA, FSIA, FAICD Partner, PricewaterhouseCoopers, Sydney
(first appointed 1 April 1992)

Denise P McComish, ACA Partner, KPMG, Perth
(first appointed 1 April 1994)

Elizabeth J Moran, BAgSc, GradDipAcc, CPA Manager Financial Systems, Finance Management Branch, South Australia Treasury, Adelaide
(first appointed 1 April 1995)

Greg Ward, MEc, ACA Chief Financial Officer, Macquarie Bank, Sydney
(first appointed 17 September 1999)

Chris J Warrell, BCom, DipEd, FCPA Consultant, Melbourne
(first appointed 14 May 1991)

Observers

John C Hagen Partner, Deloitte Touche Tohmatsu (New Zealand)
Representative of the New Zealand Accounting Standards Review Board

Veronique Ingram General Manager, Corporate Governance and Accounting Policy Division, Department of the Treasury, Canberra

Attendance at AASB Meetings 1 July 1999 to 31 December 1999

Six meetings were held during the period 1 July 1999 — 31 December 1999 for a total of 11 meeting days. Attendance is shown below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
K H Spencer	11	10	1
D G Boymal	11	11	0
J Godfrey	11	7	4
I L Hammond	11	6	5
W R Lonergan	11	11	0
D P McComish	11	5	6
E J Moran	11	10	1
G C Ward	6	5	1
C J Warrell	11	11	0

3. Standard setting

During the period 1 July 1999 — 31 December 1999 the AASB devoted significant resources to the ongoing program to harmonise Australian accounting standards with standards issued by the IASC. It issued 9 new and revised Accounting Standards, 2 Exposure Drafts and an Accounting Theory Monograph during the period. They are:

AASB Standards — New

AASB 1037A Amendments to Accounting Standard AASB 1037 (issued 7/99)

AASB 1040 Statement of Financial Position (issued 10/99)

AASB Standards — Revised standards issued under the international harmonisation program

AASB 1010 Recoverable Amount of Non-Current Assets (revised (12/99)

AASB 1015 Acquisitions of Assets (revised 10/99)

AASB 1018 Statement of Financial Performance (revised 10/99)

AASB 1020 Income Taxes (revised 12/99)

AASB 1033	Presentation and Disclosure of Financial Instruments (revised 10/99)
AASB 1034	Financial Report Presentation and Disclosures (revised 10/99)
AASB 1041	Revaluation of Non-Current Assets (revised 12/99)

Exposure drafts

ED 99	Impairment of Assets (12/99 — issued in conjunction with the PSASB)
ED 100	Arrangements for the Provision of Public Infrastructure by Other Entities — Disclosure Requirements (12/99 — issued by the PSASB)

Accounting Theory Monographs

ATM 11	Reporting on Solvency and Cash Condition (issued 2000)
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4. International harmonisation

In addition to the work on the harmonisation program, the AASB was actively involved with other national accounting standard setters.

The primary group with which the AASB was involved is informally known as the 'G4+1' group of standard-setters, comprising Australia, Canada, New Zealand, the United States of America, and the United Kingdom, with an observer from the IASC. The G4+1 group met twice during the period 1 July 1999 — 31 December 1999.

The following documents were issued by the AASB in conjunction with the G4+1 group of standard setters:

- G4+1 Discussion Paper 'Accounting by Recipients for Non-Reciprocal Transfers, Excluding Contributions by Owners: Their Definition, Recognition and Measurement'; and
- G4+1 Invitation to Comment 'Leases: Implementation of a New Approach'.

5. Consultation

Consultative group

The AASB received valuable input from its Consultative Group which had the following membership in the period July-December 1999:

Accounting Association of Australia and New Zealand	CPA Australia
Association of Superannuation Funds of Australia	Finance and Treasury Association
Australian Bankers' Association	Group of 100 Incorporated
Australian Chamber of Commerce and Industry	Insurance Council of Australia Limited
Australian Institute of Company Directors	International Banks and Securities Association of Australia
Australian Property Institute	Investment & Financial Services Association of Australia Incorporated
Australian Prudential Regulation Authority	Law Council of Australia
Australian Securities and Investments Commission	National Institute of Accountants
Australian Shareholders' Association Limited	The Institute of Actuaries of Australia
Australian Stock Exchange Limited	The Institute of Chartered Accountants in Australia
Business Council of Australia	The Securities Institute of Australia
Council of Small Business Organisations of Australia	

The Consultative Group was successful in enabling the old AASB to obtain feedback and constructive input on technical issues, its project priorities, due process and other matters, and keeping members informed about the AASB's work. One meeting was held in October 1999.

Liaison with constituents

In addition to the Consultative Group, the AASB also met with a wide range of people to discuss matters of interest both generally and in relation to specific projects.

The Chairman of the AASB and AARF staff also met with ASX and Group of 100 representatives with regard to the International Harmonisation Program.

Seminars

Members of the AASB and AARF staff presented papers on matters relating to the AASB's work program at a number of seminars, congresses and conferences.

6. Research and administrative support

Research and administrative support for the old AASB was provided by the AARF, under an agreement between the Commonwealth Government and the ICAA and the CPAA. AARF staff attended meetings of the AASB.

As at 31 December 1999, the AARF had 17 research staff and 12 secretarial, publications, information technology and administrative support staff. In addition to time devoted to work of the AASB, staff supported the PSASB, the Auditing and Assurance Standards Board, the Legislation Review Board and the UIG.

The research and administrative support provided to the AASB included:

- original research into relevant accounting topics;
- the provision of advice on matters relating to local and foreign financial reporting developments;
- preparing papers for consideration by members;
- collation and analysis of comments from parties interested in financial reporting, particularly those responding to Exposure Drafts;
- liaison with the professional accounting bodies, the ASIC, the Commonwealth Treasury and foreign national standard-setting organisations;
- making presentations at seminars and conferences on current and emerging issues; and
- a secretariat to carry out the administrative responsibilities of the AASB.

7. Finances

A Parliamentary appropriation administered by the ASIC contributed to meeting the costs of the AASB's operations. Funding of the AARF, by CPA Australia and ICAA and by the sale of publications, also supported the provision of research and administrative services to the AASB

Under the arrangements operating until 31 December 1999, the ASIC paid the Chairman's salary and sitting fees directly to members from the Parliamentary appropriation. Under these arrangements the AASB's other costs were administered by the AARF, which maintained detailed accounting records with respect to member travel and accommodation costs, and the costs of research and administration undertaken by the AARF on behalf of the AASB.

The old AASB was not subject to a legislative requirement to prepare an audited financial report, although it usually prepared an informal unaudited report to provide information about its income and expenditure. In the absence of a legislative requirement for the preparation of a financial report by the old AASB, this report does not include financial information for the period 1 July 1999 to 31 December 1999.

Appendix H

AUTHORITATIVE PRONOUNCEMENTS ISSUED BY THE AASB AND UIG AS AT 30 JUNE 2000

Statements of accounting concepts

No.	Title	Issued (re-issued#)
SAC 1	Definition of the Reporting Entity	8/90
SAC 2	Objective of General Purpose Financial Reporting	8/90
SAC 3	Qualitative Characteristics of Financial Information	8/90
SAC 4	Definition and Recognition of the Elements of Financial Statements	# 3/95

Policy statements

No.	Title	Issued (re-issued#)
PS 1	The Development of Statements of Accounting Concepts and Accounting Standards	7/93
PS 2	The Operation of Consultative Groups to the AASB and PSASB	# 7/94
PS 3	The Operation of Project Advisory Panels	3/94
PS 4	Australia — New Zealand Harmonisation Policy	7/94
PS 5	The Nature and Purpose of Statements of Accounting Concepts	3/95
PS 6	International Harmonisation Policy	4/96

AASB and AAS-series accounting standards

AASB series	AAS series	Title	Issued (re-issued#)
1001	6	Accounting Policies	# 3/99
1002	8	Events Occurring After Reporting Date	# 10/97
1004	15	Revenue	# 6/98
1005	16	Financial Reporting by Segments	4/86
1006	19	Interests in Joint Ventures	# 12/98
1008	17	Leases	# 10/98
1009	11	Construction Contracts	# 12/97
1010	10	Recoverable Amount of Non-Current Assets	# 12/99
1011	13	Accounting for Research and Development Costs	5/87
1012	20	Foreign Currency Translation	# 7/88
1013	18	Accounting for Goodwill	# 6/96
1014	23	Set-off and Extinguishment of Debt	# 12/96
1015	21	Acquisitions of Assets	# 11/99
1016	14**	Accounting for Investments in Associates	# 8/98 **5/97
1016A	—	Amendments to Accounting Standard AASB 1016	10/98
1017	22**	Related Party Disclosures	# 2/97 **5/93
1018	1	Statement of Financial Performance	# 10/99
1019	2	Inventories	# 3/98
1020	3	Income Taxes	# 12/99
1021	4	Depreciation	# 8/97
1022	7	Accounting for the Extractive Industries	10/89
1023	26	Financial Reporting of General Insurance Activities	# 11/96
1024	24	Consolidated Accounts	# 5/92
1025	—	Application of the Reporting Entity Concept and Other Amendments	7/91
1026	28	Statement of Cash Flows	# 10/97
1027	—	Earnings per Share	11/92
1028	30	Accounting for Employee Entitlements	3/94
1029	—	Half-Year Accounts and Consolidated Accounts	12/94
1030	—	Application of Accounting Standards to Financial Year Accounts and Consolidated Accounts of Disclosing Entities other than Companies	12/94

AASB and AAS-series accounting standards (continued)

AASB series	AAS series	Title	Issued (re-issued#)
1031	5	Materiality	9/95
1032	32	Specific Disclosures by Financial Institutions	12/96
1033	33	Presentation and Disclosure of Financial Instruments	# 10/99
1034	37	Financial Report Presentation and Disclosures	# 10/99
1036	34	Borrowing Costs	12/97
1037	35	Self-Generating and Regenerating Assets	8/98
1037A	35A	Amendments to Accounting Standard AASB 1037	7/99
1038	—	Life Insurance Business	11/98
1039	—	Concise Financial Reports	12/98
1040	36	Statement of Financial Position	10/99
1041	38	Revaluation of Non-Current Assets	12/99
—	25	Financial Reporting by Superannuation Plans	3/93
—	27	Financial Reporting by Local Governments	# 6/96
—	27A	Amendments to the Transitional Provisions in AAS 27	12/99
—	29	Financial Reporting by Government Departments	# 6/98
—	29A	Amendments to the Transitional Provisions in AAS 29	12/99
—	31	Financial Reporting by Governments	6/98
—	31A	Amendments to the Transitional Provisions in AAS 31	12/99

Accounting interpretations

No.	Title	Issued
AI 1	Amortisation of Identifiable Intangible Assets	6/99

UIG Abstracts

Abstract	Title	Issued (re-issued#)
1	Lessee Accounting for Surplus Leased Space Under a Non-Cancellable Operating Lease	6/95
2	Accounting for Non-Vesting Sick Leave	6/95
3	Lessee Accounting for Lease Incentives Under a Non-Cancellable Operating Lease	8/95
4	Disclosure of Accounting Policies for Restoration Obligations in the Extractive Industries	8/95
6	Accounting for Acquisitions — Deferred Settlement of Cash Consideration	12/95
7	Accounting for Non-Current Assets — Derecognition of Intangible Assets and Change in the Basis of Measurement of a Class of Assets	3/96
8	Accounting for Acquisitions — Recognition of Restructuring Costs as Liabilities	6/96
9	Accounting for Acquisitions — Recognition of Acquired Tax Losses	6/96
10	Accounting for Acquisitions — Gold Mining Companies	11/96
11	Accounting for Contributions of, or Contributions for the Acquisition of, Non-Current Assets	12/96
12	Accounting for the Costs of Modifying Computer Software for the Year 2000	4/97
13	The Presentation of the Financial Report of Entities Whose Securities are 'Stapled'	#5/00
14	Directors' Remuneration	6/97
15	Early Termination of Foreign Currency Hedges	11/97
16	Accounting for Share Buy-Backs	1/98
17	Developer and Customer Contributions in Price Regulated Industries	5/98
18	Early Termination of Gold Hedges	5/98
19	The Superannuation Contributions Surcharge	7/98
20	Equity Accounting — Elimination of Unrealised Profits and Losses on Transactions with Associates	10/98
21	Consistency — Different Cost Formulas for Inventories	10/98
22	Accounting for the Buy-Back of No Par Value Shares	11/98
23	Transaction Costs Arising on the Issue or Intended Issue of Equity Instruments	#6/00
24	Equity Accounting — Carrying Amount of an Investment in an Associate	11/98
25	Redesignation of Hedges	4/99
26	Accounting for Major Cyclical Maintenance	6/99
27	Designation as Hedges — Sold (Written) Options	7/99

UIG Abstracts (continued)

Abstract	Title	Issued (re-issued#)
28	Consolidation — Special Purpose Entities	7/99
29	Early Termination of Interest Rate Swaps	12/99
30	Depreciation of Long-Lived Physical Assets, including Infrastructure Assets : Condition-Based Depreciation and Other Related Methods	1/00
31	Accounting for the Goods and Services Tax (GST)	1/00
32	Designation as Hedges — Rollover Strategies	1/00
33	Hedges of Anticipated Purchases and Sales	5/00
34	Acquisitions and Goodwill — First-Time Application of Accounting Standards	6/00